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## OLD IMAGE



Richard Branson... stunts such as the launch of Virgin Vodka — which flopped — gave the company a frivolous image it wants to distance itself from

## NEW IMAGE



Rowan Gormley... the company's more serious chief executive is to get a higher profile

# Direct action removes Richard Branson, bride and balloonist, from Virgin's serious business



**Liz Stuart**

**V**IRGIN Direct, the Pepe, pensions and insurance group, is seeking to distance itself from Richard Branson because the business's frivolous profile is turning away customers.

Mr Branson, most immediately associated with records, cola and flights, who has appeared in all Virgin Direct's television advertisements, disguised variously as a student nerd and a crook, and whose signature appears on products, is slowly to be faded out and the image of Virgin Direct's more serious chief executive, Rowan Gormley, given a higher profile.

The company, owned jointly by Mr Branson and an asset management group, fears wealthier and more experienced savers and investors are being put off from taking out a Virgin product because of his maverick image. Stunts such as donning a wedding dress for the launch of Virgin Bride, posing with Pamela Anderson, and hot-air ballooning do not sit comfortably with the selling of serious investment products such as pensions, especially when consumers are still reeling from the aftermath of the pension industry's mis-selling scandal.

Problems dogging other parts of the Virgin empire have also affected the brand's image. The ironically named Victory Corporation, which produces cosmetics and clothing and is half-owned by the Virgin Group, last month reported a loss of \$10 million. Mr Branson's two train companies have received more complaints than any other rail operation and after sales fell flat in his cola business he was forced to buy out his Canadian partner. The cinema business is widely criticised for charging, on average, 21 more than rivals and his vodka brand was withdrawn from sale after winning less than a 2 per cent of market share.

Virgin Direct made a pre-tax loss of £19.7 million due to the cost of starting the business, although if the future value of business written is taken into account it has, in fact, turned in a profit.

"We want it to be seen that Virgin Direct has grown up," said a spokesman. "If people are looking at investing in a pension they might be put off if they think the company is too wrapped up with Branson, knowing that they will not be able to access their money for 30 years and not knowing what will happen to his involvement by then."

One industry commentator said: "If every time people open their papers they see

Branson's face it could do considerable harm to the brand."

The television advertisements featuring Mr Branson have been dropped and the company is looking for a new advertising agency. But the spokesman denied a divorce from Mr Branson — who famously dislikes bank accounts — in the short term.

Mr Gormley, on the other hand, a South African formerly with venture capital group Electra Fleming, has serious City credentials.

Virgin Direct says it will be chasing a new type of customer — luring people from

high street banks such as Lloyds-TSB and Halifax, rather than trying to attract customers who are first-time financial services customers.

As part of its cultural shift, Virgin, which manages more than £1.5 billion of customers' money and has done much to widen the appeal of financial products, will next year unveil a team of "money managers" to give financial advice. This will be its first move away from execution-only business — cheap mass-market products sold over the phone — and into the more profitable territory of the banks and building societies.

In April, Virgin split its banking service, Virgin One, away from the asset management and insurance business, to concentrate more on growth. Jayne-Anne Gadhia, former Virgin Direct operations manager, was appointed managing director of the bank, which is run in conjunction with the Royal Bank of Scotland.

In December 1995 AMP, which also owns City fund manager Henderson in the UK, bought a 50 per cent stake in Virgin Direct from Norwich Union. It has vowed to continue investing in the brand long term.



Adverts featuring a young Branson have been dropped

## Test case on cellphone 'danger'

**Janie Wilson**

**A**SCIENTIST yesterday launched a court action in an attempt to force health warnings to be put on all mobile phones sold in Britain.

Roger Coghill, a specialist in the dangers of radioactivity, is bringing a private prosecution against a shop where he bought two mobile phones. He wants all mobile phones sold with danger warnings similar to those on cigarette packets. His legal

action warns of the risk of a "major health hazard" if the phones are used for more than 20 minutes at a time.

Yesterday the case was adjourned until September 2 for a full hearing by South-West Gwent magistrates.

After the hearing Mr Coghill said: "I'm just a David against a Goliath. But I'm determined to fight them."

"The mobile phone is the biggest source of domestic appliance radiation. It is used close to the brain, the most sensitive organ in the body. People who constantly use

one for more than 20 minutes at a time are in danger of damaging their health from the electromagnetic waves."

"I want the warnings to say there is a health hazard," Mr Coghill, a biologist aged 58 from Pontypool, who runs a privately-funded research company into radiation, alleges that the sale of the two phones breached the Consumer Protection Act by failing to comply with the Act's general safety requirement.

He claims that the industry is being irresponsible in not admitting there is enough sci-

entific evidence that using the phones for a long period is a major health hazard.

His private prosecution is being brought against the Mobile Communication Services shop in Cwmbran, South Wales, and its owner, Wayne Morgan.

Yesterday Mr Morgan told the court that mobile phone manufacturers would be providing expert evidence and paying for the shop's defence.

"We are satisfied that we are trading within the law and the manufacturers plan to strongly defend this case."

## Union near deal with rail company but strike goes ahead

**R**AILWAY workers were last night starting a three-day strike despite a near breakthrough in talks.

Around 10,000 members of the RMT union walked out at midnight in the latest action of a long-running dispute over pay and conditions.

The RMT said yesterday there had been a break-

through in negotiations and it was close to a deal with Centrac, one of the nine companies involved in the dispute.

Although members employed by the company will join the strike, the union will suspend action after Monday to allow further talks. Jimmy Knapp, RMT general secretary, said: "We have achieved

a significant breakthrough with Centrac and I believe if members continue to maintain pressure on the companies this weekend we will see considerable progress next week in negotiations. I am confident that members will continue to support the strike in the same solid manner."

The deal with Centrac

means a two-hour reduction in the basic working week from 39 to 37 hours and an increase in unsocial hour payments to 5.4 per cent.

This weekend's action is the third strike in the dispute. A four-day strike was held from June 17 and a week's action went ahead from June 29 to July 5.

**When politicians talk about strengthening the family, liberals reach for their revolvers. Didn't MPs learn anything when the last government's back to basics humbug collapsed in a joyously comic bedroom farce? Polly Toynbee says hooray for Jack Straw**

**Comment, page 12**

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Tom Fosten, aged nine, the only pupil at Holy Island First School, which opens when the tides are too high for him to walk the causeway to Lowick

## One pupil – and four school inspectors

Ofsted criticised over cost of inspection on island regularly cut off from mainland by tides

John Carvel  
Education Editor

THE Office for Standards in Education was accused yesterday of squandering public money on a full-scale inspection of an island school with one part-time pupil who attended only on days when the tides cut off access to the mainland.

Nine-year-old Tom Fosten spent most of his school days at Lowick First School in Northumberland, travelling from his home on Holy Island across the causeway that lay above the waterline for most of the day. When tides were high he went to Holy Island First School where a part-time teacher was on hand.

Tom, son of the island's United Reform Church min-

ister, left for the summer holidays this week, and starts next term at a middle school 12 miles away at Berwick-upon-Tweed, with arrangements for occasional boarding to cope with the tides.

But the sporadic nature of primary education on Holy Island did not deter Ofsted from commissioning a team of four inspectors to mount a thorough investigation of every aspect of teaching and learning at the school.

Their 30-page report praised the school's "broad curriculum, highly-advanced pupil-teacher ratio, high quality of teaching and creative partnership with Lowick school." Staff accommodation and learning resources were deployed effectively. "Attendance is good as there is no unauthorised absence."

Chris Tipler, Northumberland's director of education, said the inspection was completely over the top. "Ofsted is like a juggernaut that goes inexorably on. Once the machinery grinds into action, a school gets the full works, regardless of cost."

Although Ofsted would not reveal inspection costs, the time spent indicated a charge to the taxpayers of about £1,500. "It would have been more sensible and a better use of public money if they had added a page to their report on Lowick School, indicating that one of the pupils attended part-time at another school," Mr Tipler said.

A spokesman for Ofsted said: "This might sound a bit over the top, but the purpose of inspection is to establish that there is satisfactory education for the pupils of each area and that is what was done." The school is expected to reopen in two years when the island again has children of the right age.



Holy Island First School, now in mothballs

PHOTOGRAPH BY TED DITCHBURN

## Slip-up over real-life soap opera costs BBC dear



Paddy's Bar, in Ireby, scene of the BBC documentary

Sarah Hall

THE BBC yesterday admitted an error costing hundreds of thousands of pounds after commissioning a series of documentaries about a pub which featured heavily in it – and subsequently pulling the fly-on-the-wall documentary after just one episode.

The acknowledgment came the day after the second instalment of *Cumbrian Tales* – based in the village of Ireby, and dubbed "a real-life *Archers*" – was cancelled 90 minutes before transmission.

The decision was made after the corporation realised there was a "potential conflict of interest" in screening a series by producer Patrick McCreanor – the owner, at

the time of filming, of Paddy's Bar. Scrapping the five remaining episodes has cost £300,000.

After the programme was swapped for Ray Mear's *World of Survival*, a film about rural life in Western Samoa, the BBC acknowledged the programme had breached its producer guidelines – the rules enforcing the corporation's charter and ensuring impartiality.

"Our Producers' Guidelines make it clear there must not even appear to be any threat to the editorial impartiality of programmes through the activities of programme-makers."

"The BBC has a duty to be clear with its audiences, who must be sure that the products or services featured in BBC programmes have been

selected for editorial and not promotional reasons," it added. It said it did not question the integrity of Mr McCreanor, who had approached them with the idea of filming in his village, and who is in the process of selling the pub after completing filming.

A spokeswoman added: "There is no suggestion of any concealment. We knew the producer owned the bar and we are not blaming him. It is our error."

"We didn't recognise there was a potential conflict of interest at the time of commissioning the programme, and we should have done." "If the proper procedures had been followed this wouldn't have happened."

She said responsibility for

fulfilling the guidelines was collective, falling to commissioning editors and producers.

Programmes were pulled "very infrequently", with no others being recalled this year, but given the debacle, there was a case for greater awareness of the guidelines. The apparent conflict of interest was only acknowledged after the press brought it to the BBC's attention, she added.

Last night Mr McCreanor was unavailable for comment. At the launch of the series – which features a medieval banquet in Paddy's Bar and the marriage tribulations of its then-landlord and landlady Martin and Verity Sprout – he played up, rather than obscured, his strong connection with the village on

the edge of the Lake District. "I have lived in Ireby for 20 years, almost to the day, and I knew that these people were my friends, that I ate at their tables, drank with them in the local. It became obvious to me that here was the perfect venue, right on my doorstep, for me to give an insight into what the countryside is about," he said.

*Cumbrian Tales*, which, according to unofficial figures, attracted 3.7 million viewers with its first BBC2 episode, was well received by the critics. The Guardian described it as "promising", the Daily Telegraph as "a cut above the usual docu-soap", and the Financial Times, somewhat unfortunately, as "a programme which 'may yet save the reputation of social documentaries'".

## CPS apology over rape case 'fiasco'

Claire Dyer  
Legal Correspondent

THE Crown Prosecution Service made a growing apology yesterday when a judge castigated it for a "horrendous episode" which could have wrongly sent a man to jail for years for rape.

Judge Barrington Black ordered the CPS to pay £5,000 towards the costs of subjecting Oliver Thompson, from north London, to an abortive Old Bailey trial followed by another courtroom ordeal.

He said the service's "totally unacceptable" failure to disclose vital material to the defence could have led to a miscarriage of justice, with television cameras on the steps of the Court of Appeal and "tears of recrimination being cast in all directions".

Harrow crown court in north London heard yesterday that Thompson, a 34-year-old labourer, was accused in April last year of raping and falsely imprisoning a 20-year-old woman, indecently assaulting her and causing her grievous bodily harm.

An Old Bailey jury was told last January that he had met his alleged victim in a pub. After buying her drinks and sharing a cannabis joint, he took her back to his flat and attacked her.

Thompson, who had never been in trouble with the police, was arrested and picked out on an identity parade by the woman. During three days of questioning, she denied having had previous experience with drugs or suffering from an alcohol problem, the jury was told.

At that point the case officer told prosecuting counsel that a letter containing vital information about the woman had

earlier been sent to the police and was in the hands of the CPS. It showed that she had lied under oath and revealed that she had confessed to a psychiatrist that she was "heavily dependent on ... crack cocaine, opium, hash and ecstasy and admitted to increased alcohol abuse".

Judge Black observed: "That of course was an extremely important matter which, by any stretch of the imagination, was undoubtedly relevant to the defence case," and should have been drawn to their attention under rules on disclosure of evidence. The Old Bailey trial was halted and a new hearing listed at Harrow crown court. Following legal argument on that occasion the CPS decided to drop the case.

Senior CPS lawyer Alex Segbefia told the judge that he had been on holiday between the letter's arrival in his office and Thompson's trial, but accepted "full blame" as the team leader.

The letter was brought to the attention of a colleague of mine to make a decision as to what should be done with it.

"Quite wrongly, he made the decision, without consulting the file but by speaking to people in the office about the nature of the case ... that it need not be disclosed."

Mr Segbefia said it appeared his colleague decided to send it to prosecution counsel in case they had a different view. "Unfortunately it never reached counsel." What had happened amounted to a "fiasco" and an "atypical failure" by the CPS.

He now offered his apologies, "most importantly to the one who has suffered greatest, the defendant. The only way that this case had gone on are not worth thinking about."

## Murder gang strikes again

Duncan Campbell  
Crime Correspondent

THE gang responsible for killing two young women while their children were nearby have carried out a third murder, an attempted murder and a rape, police said yesterday. Police are warning that the gang of three or four men may strike again.

The latest victim was a young man shot dead in his hallway while his partner and two-year-old son were elsewhere in the house. Patrick Ferguson, aged 34, a trainee plasterer, was killed last Friday when three men burst into his home in Kingsbury, north London. Yesterday, the police linked his murder with two others.

The police also believe the near fatal stabbing of a man and the rape of his partner last month is the work of the same gang. On June 15, in Clapham, south London, three men pushed their way into a flat with a gun and a knife. One man was stabbed three times and left with life-threatening injuries. His partner was raped. Jewellery and other items were taken.

The attacks are being linked to the murder of Michelle Carby, aged 30, at her home in Stratford, east London, on June 29. She was tied up and shot in the head with a handgun. Three children were in the house, and jewellery and money were taken.

The gang is also thought responsible for the attack on Avril Johnson, aged 30, who, on June 28, was tied up and

shot dead in front of her two young children at her home in Tulse Hill, south London. She, too, was robbed. Her husband was slashed across the throat but survived.

Earlier this month, police linked the two murders of the young women. The cases were put under the overall charge of one of Scotland Yard's most experienced detectives, Detective Superintendent Jeff Rees, who warned that the gang might strike again.

Yesterday Mr Rees said: "Our worst fears have now been realised because there has been another murder. Unless we are able to catch these men there will be another."

He said the gang would kill again soon, if the police did not get assistance. So far, there has been little public response to appeals for help. He said people might be frightened but "unless people do come forward, they may well have another murder on their conscience".

The men are described as black, like their victims, and aged from their early 20s to early 30s. Two are about 5ft 10in, one with a trimmed beard. The third is about 5ft 3in, with long messy hair.

Police say that they are investigating possible drug links but still see robbery as the main motive.

Lee Jasper, a member of Lambeth police consultative committee, said: "Three families were shattered and another couple left traumatised. This gang has committed wildest robberies using lethal force ... we are witnessing a terror campaign."

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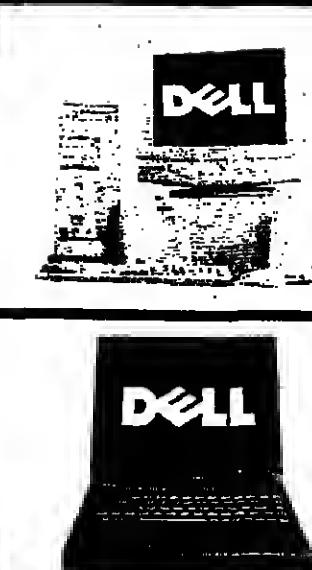
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**DELL**



Future of the family

# Ministers keep faith with marriage

**SPEECH/** Home Secretary says married couples are more likely to stay together than those who cohabit

**J**ACK Straw made clear yesterday that strengthening the institution of marriage as a basis for bringing up children was the cornerstone of Labour's modern family policy.

The Home Secretary acknowledged that the Government had to tread carefully in this area, respecting the fact that families were private institutions and realising it was not for ministers to lay down how adults should conduct their personal relationships.

But in his speech on parenting, the Home Secretary made explicit the Government's belief that many couples who choose not to marry do provide a loving and stable environment for their children.

"We are not in the business of making the job of lone parents more difficult by blaming them as some have done in the past. I think I know the circumstances of lone parenthood only too well as my own mother brought five of us up single-handedly," Mr Straw told the parliamentary family and child protection group yesterday.

But he stressed there was a presumption that the stability that children needed was most readily provided by two participating parents, "while not stigmatising other family groupings".

He said research showed there was a higher level of commitment between married couples than between

those who cohabited. Married couples were more likely to stay together.

In formulating a new policy, the Government recognised that it could not turn the clock back to a world where women were invariably the only carer in the early years of a child's life. Women now had much greater opportunities to be involved in the workforce and there was an increased sharing of domestic and childcare responsibilities between mothers and fathers.

Mr Straw said the Government's first emphasis was on combating family poverty by providing better financial support for families through a new Working Families Tax Credit and the New Deal for lone parents which would come into effect in October.

As well as the measures to strengthen support for marriage and for parents, the Home Secretary outlined new measures to help families with children cope with the pressures of balancing work and home. The last point meant challenging "the long hours culture" at work which said you were lacking if you were there for less than 12 hours a day.

Mr Straw indicated that the Cabinet committee on the family that he chairs was also discussing more effective policies on domestic violence and teenage pregnancies.

— Alan Travis



Bridal fair... Although many are turning their backs on marriage, Mr Straw said it still provided the best environment for a child. PHOTOGRAPH: BOB MILLER

□ Marriages, at 279,000 a year, have reached an all-time low.

□ The divorce rate remains at 13.5 per 1,000 marriages, or 154,000 a year.

□ Fifty-eight per cent of all marriages are now civil ceremonies.

□ There were only 115,000 religious weddings in 1996 — a fall of 10 per cent over the previous year.

□ More than one in three births now take place outside marriage.

□ Church of England baptisms have fallen from 365,000 in 1940 to 150,000 in 1995.

□ But Roman Catholic baptisms have defied the trend with 74,000 in 1981 and 67,000 in 1996.

Source: Office of National Statistics

**PARENTING/** Nationwide network planned for lessons in child rearing, which should not be seen as admission of failure

**J**ACK Straw hopes that in future parenting classes will be seen in the same way as ante-natal classes — a natural part of preparing for parenthood.

He wants to eliminate the idea that enrolling in a parenting programme could be an admission of failure by parents in the way they are bringing up their children.

There is to be a National Institute for the Family, to focus on family and parenting issues, a freephone helpline, and an expanded role for health visitors to give parents advice at home, not just for toddlers but for children up to 10 years old.

Although the health visitors' role will explicitly go beyond

talking about health, they will remain within the National Health Service and not become the responsibility of the Home Office, as has been suggested. Ministers value their "non-judgmental role" and have decided they will not be involved in implementing parenting orders imposed by the courts.

The strategy will also encourage local parenting and self-help groups. Although the "parenting movement" has grown rapidly in recent years, as few as 25,000 of the 12 million parents are thought to have had any involvement in it.

The National Institute for the Family is to be given a role in accrediting parenting

groups, and will ensure that they concentrate on giving practical help and do not push an "excessive ideological" point of view.

However, Mr Straw said, it would be encouraged to be "sensitive to the diversity of cultural values surrounding families in the UK, and to be concerned with the needs of all families, however structured".

The institute will have to ensure courses are of a high enough quality, and is to have a budget of nearly £2 million over three years to fund voluntary organisations working with families. It will open next April.

Parenting groups will also be involved in compulsory counselling and guidance sessions for parents ordered by a court to receive help dealing with delinquent children.

The national helpline is to be run by a charity, Parentline, and staffed by trained volunteers who are parents.

— Alan Travis

**MARRIAGE/** blueprint backs dynamic role for registrars as Straw ponders the varied causes of breakdowns

**M**INISTERS hope to strengthen marriage by enhancing the role of the state registrar so that he functions as a more secular version of the local vicar or parish priest.

The Home Secretary, Jack Straw, believes that because of the declining role of the church too few couples considering marriage now receive any formal guidance or preparation.

Ministers want registrars to be more imaginative in the ways in which they help people celebrate their marriages or affirm their commitment to their children.

"Marriage is a serious business," said Mr Straw.

"It is important that both

partners understand that they are taking on what should be a long-term commitment.

"It is a commitment that should not be rushed." This is why ministers are considering making it less easy for people to get a special licence, which allows them to be married within 24 hours of making an application.

The baby naming ceremony is one scheme that ministers are seriously considering. Others could include the registrar giving far more information about the future role of the happy couple should they have children, even including the proposal that they enter into a parental responsibility agreement. They would meet the registrar before the ceremony in the same way that a couple would meet the vicar to discuss not only the service but also their responsibilities as potential parents.

Other measures will reinforce the responsibility of both parents for the children.

For example, an unmarried father will in future automatically acquire parental responsibility for a child he jointly registers with the mother. At present, an unmarried father does not have legal parental responsibility for the child, even if his name appears on the birth certificate.

He has to enter into an agreement with the mother or apply to the court for a parental responsibility order.

Ministers also want to minimise the harmful impact on children of the 154,000 marriages that break down each

year. The Government is to fund mediation sessions so that couples can be helped to reach a settlement with less conflict. Ministers are to implement the Family Law Act under which couples, who break up, have to go to at least one meeting where the consequences of the options facing them are spelled out before they can qualify for a "no-fault" divorce. How the legal arrangements for dividing property and assets could also be improved to reduce the scope for conflict is also being looked at.

— Alan Travis

**SURE START/** Programme aims to ensure that children arrive at school 'healthy, with social skills and ready to learn'

**A** PROGRAMME bringing together health, education and child development agencies to tackle social exclusion from an early age is to form the central platform of the Government's Sure Start programme announced yesterday.

Unveiling plans for the £540 million scheme, funded as part of last week's spending review, Health Minister Tessa Jowell said Sure Start would try to ensure that children arrived at school "healthy, with social skills and ready to learn".

The programme will focus on pre-school children and their families, and will cover

125,000 socially disadvantaged children. The Government plans to open 250 centres in the next three years. The first is to open next April, and existing clinics, schools or colleges will be used.

The programme will aim to co-ordinate existing health, social services and education support to children and their families by targeting their needs.

Ms Jowell said the programme would build on existing local initiatives and be linked to the Early Years Development Plans being drawn up by each education authority. Parents will be offered liter-

acy classes and encouraged to attend nursery classes with their children. The programme will try to identify children who need help from an early age and offer advice to parents on breast feeding and how best to care for their children.

All parents will receive a visit from a representative of Sure Start within three months of the birth of their child. In addition, visits by health visitors, to assess what help they might need.

Ms Jowell said: "If we don't do this we will simply go on with the problems of the past. We will continue to have a society where children's life chances are handed out on the day they are born."

A spokeswoman for the Department for Education said that while Sure Start is aimed at helping socially disadvantaged parents and children it will also be available to all parents who wish to use its services. Wealthier families

may have to pay to use some of the services offered under Sure Start.

Support will also be offered to children with learning, emotional and behavioural difficulties.

Plans are also being considered to use the Sure Start programme as a means of collecting information, which could be published annually as a report on the state of the nation's children.

David Blunkett, the Education and Employment Secretary, said: "Sure Start will work with parents to help them promote the physical, intellectual and social development of their children. The programme will break down the barriers between the different approaches to the family and the child in the crucial early years, and will operate alongside our children and early years strategies."

— Violek Chaudhary



Manley Park Play Centre, Manchester. PHOTOGRAPH: DON MCFEE

'We're treading the right path for true parent involvement and that means we are tackling problems early in schools'

It was probably the first time a task force from the Treasury and Number 10 had been into a beehive, but they emerged with the slant of the political equivalent of honey.

Lessons in good and value-for-money practice struck civil servant Norman Glass and the Downing Street policy team forcibly amid the cheerful chaos of Manley Park Play Centre in Manchester.

One of 18 "beehives," named for the city's symbol plus the children's knack of buzzing tirelessly about the centre, crucially helped influence the Sure Start programme detailed in the Commons yesterday.

"We hope we're treading the right path towards real parent involvement," says Vicky Rosin. "And that we're making the right moves towards tackling potential problems early through schools."

Manley Park's particular appeal to the Comprehensive Spending Review Team, which visited last September, is the close liaison with the local infant

and junior school, a few hundred yards away in inner city Whalley Grange. The beehive's playgroup spends a day a week at the school, and pupils join the hogely-over-subscribed summer playscheme.

Difficulties in families crop up more naturally and earlier in the communal setting, according to Alison Monks, who had 70 children under her wing yesterday.

In return, under the city's Challenging Children initiative, which caught the Government's eye, parents — and where practicable children — are enlisted to help, join in and ask for the extra facilities they would really like.

"In Manley Park's case that included Urdu classes, so that third generation Asian families could keep in touch with their elders," says Mrs Rosin.

Earlier she had been at the opening of the Light-bowne Fun Play Area at another beehive, named by the children.

— Martin Watnwright

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The first joint MI5/police operation against organised crime put paid to an extensive arms conspiracy. **Duncan Campbell** reports



Paul Ferris... Sentenced to 10 years as 'a dangerous and ruthless professional criminal'

PHOTOGRAPH: MIKE GIBBONS

## Gun-runner jailed after luck ran out

**W**HEN Paul Ferris was acquitted of murdering the son of Glasgow's most famous gangster five years ago, a dark joke floated round the city's underworld: What's the difference between Paul Ferris and Elvis Presley? Answer: Paul Ferris is definitely dead.

Yesterday Ferris, aged 34, one of the country's most self-assured and high-profile criminals, was convicted at the Old Bailey of playing a big part in a gun-running conspiracy involving criminal organisations throughout Britain and eastern Europe. He and his colleagues were caught after the first joint MI5/police operation aimed at organised crime.

Ferris was jailed for 10 years. Henry Suttee, aged 37, of Epsom, Surrey, and Constance Howarth, aged 28, of Salford, Greater Manchester, were jailed for five years each for their part in the conspiracy. A fourth defendant, David Spedding, aged 37, of Blackpool, Lancashire, was acquitted.

Passing sentence, Judge Henry Blackwell said of the weapons seized: "One hardly dares to speculate the potential death and destruction that may have been caused if they had reached their intended criminal destination."

He told Ferris: "I have no



This MAC 10 sub-machine gun was among weapons seized

doubt you are a dangerous and ruthless professional criminal. Those who deal in such arms can only expect prison sentences of great length."

Yesterday's conviction arose from a long inquiry involving the South East Regional Crime Squad (now part of the National Crime Squad), MI5 and the Metropolitan and Strathclyde forces. Some of the weapons were apparently destined for criminal use; others were for handing in to police by criminals in exchange for "credit".

The inquiry originally focused on an arms dealer, John Ackerman, of Islington, north London, who pleaded

guilty before the trial. He will be sentenced today. In May last year, after a surveillance operation on Ackerman's home, Ferris, Ackerman, Suttee and Howarth, who acted as transporters and couriers in the operation, were arrested. Suttee, a career criminal, is a safe-cracking specialist. In the operation police have seized 80 illegal weapons including 54 Ingram machine pistols, revolvers and self-loading pistols, two sawn-off shotguns, sub-machine guns and five detonators. In the past, Ferris has been described as a lucky man. This time the luck did not hold. As a young man, he

acted as a money collector for Arthur Thompson, Glasgow's best-known criminal until he died of a heart attack in 1993.

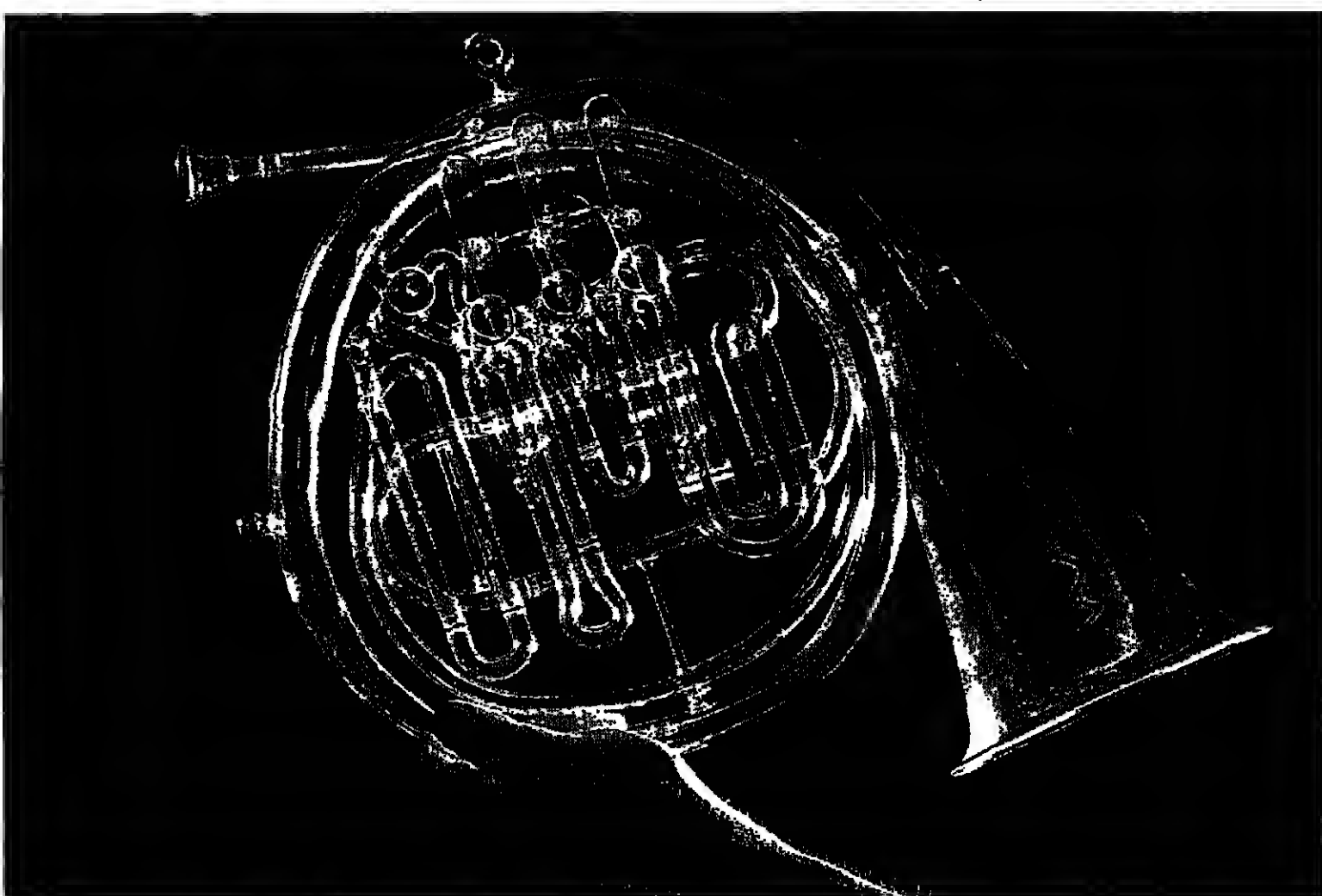
But Ferris fell out with the Thompsons and was charged with the murder of Arthur "Fat Boy" Thompson Junior in a shooting outside his home in 1991. Later two friends of Ferris, Joe "Bananas" Hanlon and Bobby Glover, were killed, with shots fired into the backs of their heads and up their anuses.

Ferris, whose first conviction was in his teens, was acquitted of the Thompson murder and gave a bizarre interview in a Channel 4 series on crime in which he expounded his philosophy of answering violence with "10-fold" violence and trying not to learn "non-combatants".

In the past he has had his lawyer fax denials of crime to the press. He had a network of contacts in cities throughout the country.

At the time of his arrest, he was running a security firm in Glasgow.

Detective Chief Inspector Peter Spindler of the National Crime Squad said: "If these military weapons, capable of emptying a 26-round magazine in two seconds, had found their way into the hands of the criminal underworld, the consequences could have been devastating."



Glass band... this French horn, made entirely of glass, was blown by Stan Marshall, of Broughton Astley, Leicestershire

PHOTOGRAPH: DAVID BURNER

## Consumer champion gets job at Camelot

Heather Carter

**S**UE Slipman, campaigner for the rights of consumers and single parents, has been headhunted for a top job at Camelot, the National Lottery company much criticised for its huge salary and bonus packages for directors.

She will leave her job as head of the Gas Consumers Council in the autumn. At Camelot she hopes to develop a corporate citizenship and social responsibility policy.

Camelot, which made £80.9 million profit last year, has been criticised for its huge salary and bonus packages for directors.

Ms Slipman was the first woman leader of the National Union of Students when she was elected president 21 years ago, at a time when she was on the Communist Party's national executive.

By 1981 she had defected to the Social Democratic Party and now has no allegiance to any political party.

In 1994, she was given an OBE and a year later she resigned as director of the National Council for One Parent Families, which she had transformed into a



Sue Slipman: Appointed to counter 'fat cat' image

powerful operation with a £1 million turnover.

She said she is looking forward to examining a range of issues at Camelot, including welfare to work and social exclusion. She believed the National Lottery has become the most significant area of fundraising in the country.

"Camelot is a very young company and while it leads the world with its almost flawless technology, it needs to develop its social responsibility role. It is a big

challenge but it is an incredibly worthwhile one," she said.

"We are living through a time where we are not going to have a tax and spend government. It is the search for a third way which is important."

She said Camelot has already started to change the face of local communities through its funding of cultural and arts projects, but it was essential to develop this role.

Her biggest achievements at the GCC have been getting the industry to recognise its responsibilities to consumers and her role in the green paper on the regulation of the utilities industry, which she played a part in.

Louise White, director of public affairs at Camelot, said: "She has been a clear advocate for consumer and personal rights and she is a strong character who has great human qualities."

"It is not just a PR exercise. We appointed Sue so she can help us win over public confidence, as there has been great cynicism towards the company over fat cat profiteering. There will also be an ethical and social audit internally... she will be looking at how we treat employees."

## Blood product 'may have killed many victims with burns'

Tim Radford  
Science Editor

**T**HOUSANDS of burn victims may have died because they were given albumin — a blood product — instead of a simple saline drip, doctors say today.

Government experts began meeting yesterday to review the evidence of 50 years after a British Medical Journal study said that albumin treatment could have caused six extra deaths for every hundred patients treated.

Dr Ian Roberts, of the Institute of Child Health at University College, London, is one of an international team called the Cochrane collaboration, which examines trials and treatments to see how effective they really are.

He and colleagues took the results of 30 trials, involving 1,400 patients, and re-examined the pattern of evidence.

"A very much clearer picture emerged," he said. "We were quite surprised that albumin was associated with a six per cent increase in mortality."

Burns victims are often critically ill, with abnormally low levels of protein in the blood. Albumin, refined from donated blood, was reportedly first used to treat American victims of the Japanese attack on Pearl Harbour in 1941, but the treatment has been controversial.

Some doctors have preferred a simple saline solu-

tion, at about a 30th of the cost. Dr Roberts says in his report that his results should be treated cautiously: the threat only existed while patients were critically ill — people who had recovered were not affected at all — the trials were small, and so were the number of deaths.

But albumin is used in Britain on 100,000 patients a year, often as a treatment for shock.

"If you say the results of this review are relevant to say, only 10 per cent of these, then we are talking about 600 unnecessary deaths each year in the UK alone."

"Albumin has been used since the 1960s, so basically the numbers add up to thousands of unnecessary deaths," he said. "I think it is bad news that we have been giving a treatment that is harmful. But the good news is that thanks to the Cochrane collaboration and this programme of work to find out what the evidence shows, we can take action on it now."

An expert working group of the Medicines Control Agency and the Committee on the Safety of Medicines began meeting yesterday to examine Dr Roberts' conclusions.

"We are looking closely at this study," said a Department of Health spokesman. "It is important to point out that it is still uncertain whether albumin is responsible for any extra deaths, or why it might be harmful — and to note that the author himself is advising caution."

## Castle flags to honour Diana

Sarah Hall

**T**HE Queen yesterday acknowledged the enduring power of Diana, Princess of Wales, as she gave the order for flags to fly at half-mast on the first anniversary of her death.

The decision — which will see royal residences' flags at half-mast on August 31 — mirrors the lowering of flags on September 6 last year, the day of the princess's funeral.

As on that occasion, when the union flag flew at half-mast for the first time outside Buckingham Palace, it will confer unprecedented respect. "This has never been done before as flags, we are aware, if it certainly wasn't done for the anniversary of George VI," a Palace spokeswoman said.

The decision is in stark contrast to the Queen's initial response after the princess's death last year. Then, she at first ignored calls for lowered flags, defending her decision by citing protocol and tradition. She later backed down, conceding to the public clamour for a visible sign of respect, which was summed up by the Sun's cry: "Where is Our Queen? Where is Her

Palace denies flag tribute is to endear royal family to the nation

Flag?" All flags were then half-masted except for the royal standard, which is never lowered.

Yesterday, Buckingham Palace was a play to endear the royal family to a nation that has regarded the Windsors as aloof but defied the "People's Princess".

"You must draw your own conclusions, but it is recognition of the very high public esteem in which the princess was held. It's obviously a very visible symbol," the spokeswoman said. She suggested the acknowledgement in public of the regard for the late princess was also a concession for the lack of a public commemoration service.

The Queen, the Duke of Edinburgh, the Prince of Wales, Prince William and Prince Harry, will have private family prayers at Cranle Church, Balmoral, on the anniversary of Diana's death. Tony Blair, and his wife Cherie, will also attend. A private service of remembrance will be held at St James's Palace for royal household members, staff and former employees, while the late princess's brother, Earl Spencer, will hold a separate, private ceremony at Althorp, the Spencer family home and site of her burial.

Flags on public buildings are also likely to be flying at half-mast on the last day of August this year.

### News in brief

#### Inquiry ordered into surgeon

HEALTH Secretary Frank Dobson yesterday ordered an independent inquiry following allegations by a national television news programme that a consultant thoracic surgeon had no post-graduate qualifications. Channel 4 News claimed on Wednesday that Joe Rahamin, a specialist surgeon at Derriford Hospital, Plymouth, Devon, since 1982, was the only chest surgeon in the country who had not completed higher surgical training.

The Plymouth Hospitals NHS trust has said Mr Rahamin was on annual leave and had not been suspended, and that it had no reason to doubt his technical skills. The Department of Health said yesterday: "Mr Rahamin will not be returning to work until the trust decides what his future duties should be." Mr Rahamin's solicitor, Tony Jaffe, said: "Mr Rahamin has instructed me to investigate the allegations made against him in the programme with a view to starting court proceedings."

#### Walker battered to death

POLICE were last night hunting the killer of a woman who was battered to death as she took her dog for a walk in woods at Sandway, Cheshire. Julia Webb, aged 52, of Northwich, Cheshire, was found fully clothed in some bushes by her son Christopher, aged 26, on Wednesday evening. Her Labrador dog, discovered sitting in a lane, led him to the body.

Detective Chief Inspector Peter Rigby, leading the murder inquiry, said Mrs Webb had been struck about the head with a blunt instrument more than three times in a frenzied attack but that there was no evidence of a sexual assault, or robbery. No weapon has been found, but detectives hope security cameras on buildings nearby may provide information. — David Ward

#### Damages test case victory

A COUPLE's compensation test case for physical damage caused to their home during road building was upheld yesterday by the Court of Appeal, in a ruling which may open floodgates.

Lord Justice Beldam, sitting with Lord Justice Ward and Sir Christopher Slade, dismissed an appeal by the Welsh Office against a Lands Tribunal decision in October 1996 in favour of compensating Dennis and Doreen Cliff, of Llandafrethan, Gwynedd, for obstruction of access and damage to their semi from "mud and dust". They said the law should expect people to put up with "a certain amount of inconvenience" but not with actual physical damage to their property. The judges said in a 23-page joint judgment that the amount at stake was just £400, which "at first sight would scarcely justify the enormously greater costs of bringing the matter to court". But the Welsh Office, as the compensating authority, regarded it as a test case where there were at least 300 similar outstanding claims in its area. The Welsh Office was ordered to pay legal costs.

#### Court shown video of death

FOOTBALL fan Matthew Fox was killed by a single punch in an unprovoked attack by rival supporter Barry Cullen, a court heard yesterday. Midstone Crown court was repeatedly shown a slow-motion video of the moment the fatal punch landed and Mr Fox, aged 24, fell to the ground after the Cliftonville v Fulham game on March 26 this year. Cullen, aged 30, of Whitstable, Kent, kept only to confirm his name and pleaded not guilty to murder but guilty to manslaughter. He made no application for bail.

Fulham fan Mr Fox, who lived with his parents in Purley, south London, left the ground along an alley which police were supposed to stop visiting fans using after the match ended in violence. But the officer on duty had been called away.

According to the police video, Cullen, a mould operator, who had been drinking heavily, hit Mr Fox from behind wearing a heavy gold ring. He admitted Mr Fox had made no threatening gestures. Mr Fox was found to have died from the single blow. Mr Justice Penny-Davey accepted Cullen's reduced plea and adjourned the case for reports.

#### PC denies £13,000 theft

A POLICE constable has appeared before magistrates in the West Midlands charged with stealing more than £13,000 from his police social club. Michael Powell, aged 49, denies theft and false accounting between May 1993 and June 1998 at Willenhall Police Social Club, of which he was treasurer.

PC Powell was suspended in January. His solicitor, David Twigg, made an application for his address not to be mentioned in court as it was "inevitable", after 26 years in the police, that there might be people who harboured a grudge against him. The case was adjourned for committal.

#### Friends' double tragedy

TWO friends died of heart attacks within minutes of each other during building works in Burnley, Lancashire, yesterday. George Taylor, aged 45, was working for William Heaton, a roofing subcontractor, when he collapsed and Mr Heaton, aged 51, suffered a heart attack as he tried to revive him.





EVERY CIGARETTE IS DOING YOU DAMAGE



EVERY CIGARETTE IS DOING YOU DAMAGE



EVERY CIGARETTE IS DOING YOU DAMAGE



EVERY CIGARETTE IS DOING YOU DAMAGE

Postcards from the edge... posters and postcards juxtaposing young smokers and diseased organs were launched yesterday in a graphic campaign by the Health Education Authority to shock young people into thinking about the health risks of their habit, and counter the perceived trendiness of cigarettes. The posters and an interactive Internet site ([www.lifesaver.co.uk](http://www.lifesaver.co.uk)) show close-ups of a cancer-riddled lung, a mouth tumour, a diseased heart, and a brain after a haemorrhage.

## Nuclear power stations to shut in 'near zero' deal

Paul Brown, Environment Correspondent in Sintra

**E**IGHT of Britain's older nuclear power stations will close within 10 years and the Magnox reprocessing works at Sellafield will cease operations by 2020 under a deal agreed by John Prescott, the Deputy Prime Minister, yesterday.

This is the result of an agreement to make large reductions in the discharge of radioactive material into the sea. Britain has been given 18 months to come up with a plan to comply with conditions set down in Sintra, Portugal, by 15 European members of the Oslo-Paris Convention (Ospar), which controls pollution in the North-east Atlantic.

Around 6,000 people work

at the eight Magnox stations and 8,000 at Sellafield. Eight more modern nuclear stations will also have to cut discharges and the giant Thorp reprocessing plant, only commissioned last year, will also have to substantially reduce its discharges if it is to continue beyond 2020.

Mr Prescott said: "I was ashamed of Britain's record in the past, but now we have shed the tag of the Dirty Man

of Europe." He said the agreement would be testing for Sellafield but did not require closure. It meant developing technology to cut discharges.

Under the agreement, all 72 British steel oil rigs in the North Sea over 10,000 tonnes will also be removed. This makes good a pledge made in opposition by the Environment Minister, Michael Meacher, that "there will be no more Brent Spar for Labour" but it will cost the oil industry £8 billion over 30 years.

Mr Prescott said that on the "bonus" side, it would create a whole new industry of bringing the rigs ashore, re-using or recycling them.

After all-night negotiations, Britain finally agreed to a French proposal to adopt near zero discharges for man-made radionuclides — unstable atoms — by the year 2020.

Mr Meacher said this would mean the Magnox stations closing "between 2007 and 2009" in order to give time to reprocess their spent fuel by 2020, when older works had to shut.

Greenpeace, which has long campaigned against Sellafield, described the agreement

### Magnox plants facing closure

**T**HE eight Magnox stations to be closed in the next 10 years are Calder Hall, at Sellafield; Chapel Cross, Dumfries; Bradwell, Essex; Dungeness A, Kent; Hinkley Point A, Somerset; Sizewell A, Suffolk; Oldbury, Somerset; and Wylfa, Anglesey.

Already closed are Hunterston A, Scotland; Berkeley, Gloucestershire; and Trawsfynydd, Wales.

The newer Advanced Gas Cooled Reactors which will have to reduce discharges are Dungeness B, Hunterston B, Torness, Edinburgh, Hartlepool, plus stations at Heysham and Hinkley Point B. There is additionally one pressurised water reactor at Sizewell B in Suffolk.

as historic. A spokesman, Remi Parmentier, said: "It signals the beginning of the end for reprocessing."

British Nuclear Fuels, which runs both Magnox

### Sea areas 'off limits' to man to allow marine life to recover

**A**REAS of the North Sea and North-east Atlantic will be put off limits for man's activities to allow the marine environment to recover, 15 countries decided in Portugal yesterday, writes Paul Brown.

Marine protected areas, as they will be called, have long been demanded by scientists and environmental groups who fear that life in the oceans is being severely disrupted.

Among the areas suggested for protection are around Rockall off north-west Scotland, the Dogger Bank off East Anglia, and the Celtic Shelf break off south-west England.

Portugal, which was chairing yesterday's meeting, declared the first marine protected area off its own coastline yesterday.

Although the Ospar Convention, which made the decision yesterday, deals mainly with pollution, it attached an annex on protected status.

There will now be two years of intensive scientific

work to establish boundaries for the proposed areas and give governments time to ratify the agreement.

Fishing would not be specifically banned under the agreement but since all but two of the countries involved are EU members, a halt to fishing in protected areas is likely.

The World Wide Fund for Nature has long campaigned for protected areas to safeguard endangered species, fisheries and breeding sites.

Sarah Jones, the WWF marine policy officer, said: "The potential now exists to protect such things as deep sea corals for the first time and areas of sanctuary for species such as sharks, turtles, dolphins and whales."

The agreement also limits the discharge of dangerous chemicals into the sea — particularly synthetic materials which mimic hormones and cause sex changes in fish. It aims to phase out all hazardous chemical discharges by 2020.

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## Lords say Straw can prolong lifers' tariff

Claire Dyer  
Legal Correspondent

**T**HE Home Secretary, Jack Straw, yesterday won a House of Lords test case over his power to detain murderers in prison after they have served their tariff — the period set for retribution and deterrence.

Five law lords ruled that the Home Secretary's wide discretion allows mandatory lifers — those sentenced to life for murder — to be kept in jail after the expiry of their tariff, even if there is little risk of their committing further violence.

The risk that they might commit other serious, but non-violent, offences is enough.

But the judges expressed unease at the result they felt bound to reach on the wording of the legislation. Lord Steyn, who delivered the lead-

ing judgment, echoed the conclusion of Lord Bingham, Lord Chief Justice, in the Court of Appeal last November: "The imposition of what is in effect a substantial term of imprisonment by the exercise of executive discretion, without trial, lies uneasily with ordinary concepts of the rule of law."

Dennis Stafford, convicted in 1967 of a clubland murder in the North-east, was released on licence in 1979 and went to South Africa, in breach of his licence. He became a successful businessman but was arrested in 1989 while visiting Britain on a forged passport.

He was returned to prison and released again on licence in 1991, but in 1994 he was convicted of conspiracy to forge passports and travellers cheques and sent back to jail. In 1996 the Parole Board assessed his risk of committing

further serious offences as very low and urged his immediate release on licence.

But Michael Howard, then Home Secretary, decided there was a risk he might commit serious non-violent offences and should be transferred in an open prison and have his case reviewed again in two years. That meant he could not be released for another three years.

Stafford, now aged 64, took his case to the High Court,

where a judge ruled last September that a prisoner who had completed his tariff could be detained only if he posed "a risk to life or limb".

Mr Straw appealed.

The Appeal Court ruled that the Home Secretary's discretion, as set out in the Criminal Justice Act 1991 — and now in the Crime (Sentences) Act 1997 — allows prisoners like Stafford to be detained past the expiry of their tariff on the ground that

they might commit serious offences, even though they pose no physical risk to the public.

At the Appeal Court's request, Mr Straw agreed to review Stafford's case and cut his period in open prison before review to six months.

Stafford, in Leyhill prison, is awaiting the result, expected by the end of the year.

His lawyers said they would probably take his case to the European Court of Human Rights in Strasbourg.

### Phone taps hit record level in war against serious crime

Richard Norton-Taylor

**A**RECORD number of official telephone taps — amounting to a year-on-year increase of more than 25 per cent — occurred in 1997, says a report published yesterday.

The Home Secretary, Jack Straw, and his predecessor, Michael Howard, signed warrants for 1,381 taps by MI5, the police and Customs officers, in the year. At the end of 1997, 420 were still in force.

Lord Nolan, the commissioner responsible for monitoring taps, said that most warrants were issued to prevent and detect "serious crime". According to Whitehall, they were mainly used against drug dealers, money-launderers, and others in organised crime, rather than against terrorists or spies.

The report does not include

warrants for taps issued by the Northern Ireland Secretary, or the Foreign Secretary, who is responsible for MI6 and GCHQ. But it does include taps authorised by the Scottish Secretary — a total of 266 last year.

The number of bugging devices placed by MI5, the police and Customs is not revealed. In a separate report, Lord Justice Stuart-Smith, the Security Service Commissioner, said that disclosure of of MI5's bugging devices was "not in the public interest".

The security and intelligence services increasingly rely on phone taps rather than mail monitoring. The number of taps nearly doubled over the past six years, but the number of letters intercepted almost halved — in 65 last year. The reports also show that no tribunal has upheld a complaint.

**"Jack Lang, the former French culture minister, worries that the World Cup itself was a sign and symbol of defeat."**

Stuart Jeffries on cultural siege

**Analysis, p11**

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	£10,000	11.9%	£228.50	£13,850.00
	£18,000	10.5%	£382.50	£23,250.00
LLOYDS	£2,000	12.9%	£18.07	£1,084.20
	£10,000	11.9%	£228.50	£13,850.00
	£18,000	10.5%	£382.50	£23,250.00
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# Florida volunteers with sniffer dogs join search for tsunami survivors

Christopher Zinn in Vanimo on the grim task of sifting corpses in Papua New Guinea and the race against time to find the injured

A TEAM of search and rescue volunteers from Florida arrived on this shattered stretch of Papuan coast yesterday with sniffer dogs to help the desperate search for survivors of last week's tsunami, which left thousands dead and many more missing.

The 10 members of the Florida Special Response Team, along with three alsatians and a husky, have spent 40 hours on board aircraft making the 10,000-mile dash to try to save lives after up to 8,000 villagers were killed in Friday's tidal wave.

"I reckon we've just two days to get into the jungle and try and find some of the hundreds who are missing and possibly injured. The dogs and their handlers can cover 10 times the ground of anyone else. If we can save just one life it will all be worth it," their leader, Garrison St. Clair, said.

The team members are more used to saving lost children in the Everglades, but their gesture in leaving their jobs in fire, police and emergency services in Miami and small towns in Florida for such a remote place is typical.

They have joined hundreds of military, medical and aid workers and supplies which are being funnelled through the tiny Vanimo airport from Australia, New Zealand and even France.

Orthopaedic surgeons and paediatricians have grabbed equipment and drugs and brought themselves to this tropical outpost by any means they could find.

The escalation in the effort to save hundreds of injured survivors comes as the risk of disease escalates because of contaminated water and the hundreds of bodies that have



Injured survivors from the village of Sissano, in north-western Papua New Guinea, are evacuated after the tidal wave on Friday that killed thousands

PHOTOGRAPH: PATRICK HAMILTON

still to be recovered, buried or burned. Shooting parties have been into the disaster zone to kill stray dogs and pigs which are digging up the dead, and the Catholic Church has withdrawn burial teams because decomposing bodies are now bursting open.

As the scale of the tidal wave tragedy on Papua New Guinea's north coast became

apparent to the world on Sunday, Mr St. Clair, a retired lieutenant-colonel in the United States army special forces, received a call from an old friend in the US state department.

"They knew we had expertise in search and rescue operations in high-temperature and high-humidity environments, and after 24 hours we were ready to go," Mr St. Clair

said as he flew into Vanimo for the final leg of the journey in an Australian defence force C-130 Hercules transport plane.

The dogs are trained to sniff out the living and the dead. They can detect a cadaver under 50ft of water, but the team wants them to track down traumatised survivors who may be hiding in the bush. Some villagers believe

the 30ft tsunami was a vengeance from God and fear more may follow.

Airlines including Qantas and American Airlines gave the Florida team free flights. But they were crossing the Pacific before permission came to allow the dogs into the country despite quarantine regulations.

Mr St. Clair said the nine men and one woman in the

team with him had medical training and were as prepared as possible for the conditions of their expected stay of up to 10 days.

"But no one has seen anything like this before," Mr St. Clair, a veteran of the Vietnam and Gulf wars, said. "You have the horrific situation of hundreds of bodies floating in the sun. I'm sure everyone's going to throw

their cookies [be sick] but we'll get the job done."

The Catholic Church said about 3,000 survivors from the devastated villages around the Sissano lagoon were being looked after in nearby care centres.

It is estimated that this time last week 10,000 people lived in the area. Now no one knows for sure how many remain.

## Castro denies 'near coma'

Phil Gannon  
Latin America Correspondent

IN A HIGHLY unusual move the Cuban leader, Fidel Castro, yesterday summoned a small group of foreign journalists to a pre-dawn meeting to refute allegations that he underwent emergency hospital treatment in October last year.

Calling the story, in Miami's Spanish-language daily newspaper *El Nuevo Herald* on Sunday, a "huge lie from head to toe", Mr Castro said the woman surgeon to whom it was attributed did not exist.

The *Herald* cited a woman it identified as Elizabeth Trujillo, a surgeon at Havana's Centre for Medical and Surgical Research (Cimeq), as saying she had left Cuba in April for exile in Costa Rica.

Ms Trujillo claimed to have been part of a small group of doctors treating the Cuban president for what she said was "hypertensive encephalopathy" from October 22 to 28 last year.

Mr Castro, she claimed, had been so heavily sedated for the first three days of his treatment that he was virtually in a coma. However, the Cuban leader pointed out that he had held a six-hour meeting during that period with the chief Vatican spokesman, Joaquín Navarro Valls.

Saying he was in surprisingly good health for a man in his early seventies, Mr Castro added that preliminary investigations into a woman with the same name as the *Herald's* source had shown she was not a doctor and had left Cuba for Colombia in 1995.

"Someone must have invented this," he said, hinting that Cuban exiles in Miami may have sought to distract attention from a New York Times story alleging their involvement in terrorist incidents.

He declined to comment on suggestions that the story might have the reverse effect, discrediting the exiles and promoting détente between Washington and Havana.

The *Herald* stood by its story despite denials from Cuban officials that there was any substance to it. Neither the journalist, Pablo Alfonso, nor the editor were available to comment yesterday.

According to the *Herald*, Ms Trujillo is in hiding in Costa Rica after an alleged kidnapping attempt she blamed on Cuban agents.

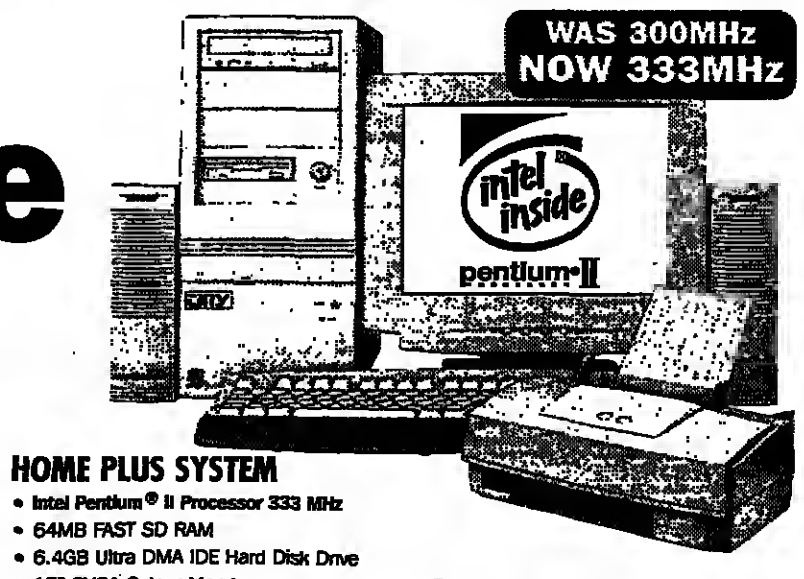
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## Thousands at risk from disease after Taliban expel aid workers

Food, medicine and water are running out in Kabul. Richard Galpin reports from a city which faces a humanitarian disaster

UNITED Nations officials in Kabul warned yesterday that living conditions for hundreds of thousands of people in the Afghan capital will deteriorate rapidly following the expulsion of almost all international aid agencies by the Taliban militia earlier this week.

The aid workers themselves, who have now moved to neighbouring Pakistan, say there will be a "humanitarian disaster" in Kabul unless they are able to return soon.

It is estimated that at least half the population of around 12 million people, many of whom are already extremely vulnerable after years of civil war, depends on foreign assistance, including food and medical supplies.

Despite this the Taliban expelled the aid workers and sealed their offices after they refused to comply with an order to move to a dilapidated and isolated building on the outskirts of the city. Taliban troops visited their offices after the deadline to move out expired on Sunday night.

The expulsion marked the culmination of two years of rising tension between the Taliban and the international aid community, which is particularly focused on the issue of helping women. The Taliban have banned women from working and girls from attending school.

Although the Taliban have said that they will be able to manage without the assistance provided by the foreign non-governmental organisations, the impact is already being felt across the city.

The supply of safe drinking water to around 200,000 people in the north-west of Kabul broke down just one day after the last aid workers left. The piped water was being supplied by the French aid agency Solidarité, which paid for fuel and spare parts for the pumps. The fuel has now run out.

One man said he had been forced to queue for more than two hours in the middle of the night to get water from a shallow well, even though it is widely known that the water is often contaminated.

"The wells have been dug very close to the latrines and solid waste," said another man, "and [drinking this water] will cause diseases."

The United Nations — one of the few international organisations still in the city — is particularly concerned about this as the removal of sewage was being organised by foreign NGOs.

The city's hospitals have also been affected. The Indira Gandhi hospital is the only one for children in Afghanistan and treats hundreds of patients every day. But within a month, there will be no point in parents bringing their sick children here as it will have run out of medicine.

All medical supplies and equipment were being provided by a consortium of foreign NGOs, all of which have now left except the International Red Cross.

"We are waiting for instructions from the Taliban ruling council," said Mulla Nasrudin, the hospital director, when asked what he will do once stocks run out. "We have been trying to convey the problem to our leaders and I hope they will take some steps to tackle it."

But this is not his only problem. Doctors at the hospital have threatened to quit as the extra money provided by

the NGOs to boost their salaries from the official government rate of just \$2.4 a month has also been cut off.

Even so, the Taliban leaders do not seem unduly concerned. The health minister, Mulla Abbas, said he was relying on the UN to give his ministry the money which he assumed the UN had previously given to the foreign aid agencies. In that case, he said, "there will not be any problem in the health sector."

But the UN says the European Union was providing most of the funding and following the expulsion of the international agencies, the EU, which is the largest single aid donor to Afghanistan, has announced it is suspending funding for aid projects in Kabul.

To make matters worse, the UN also said this week that it would scale down its assistance programmes dramatically in protest at measures taken against aid workers.

Although all members of the international aid community are desperate to continue working inside Afghanistan, the question is how a compromise can be reached with the Taliban. At present there seems little room for manoeuvre and it could be a long time before the aid programmes in Kabul resume.

## Singapore court bankrupts MP

John Gittings

SINGAPORE'S most vocal opposition MP is being driven into bankruptcy after losing a case which Amnesty International says was politically inspired.

The country's court of appeal announced yesterday it was quashing the damages against J B Jeyaretnam, one of the only three MPs who oppose the ruling People's Action Party.

Mr Jeyaretnam was found guilty in the high court last year of defaming Singapore's prime minister, Goh Chok Tong, though the trial judge said he believed that Mr Goh had overstated his case.

The appeal court denounced arguments made by George Gnanapavan QC in defence of Mr Jeyaretnam as "playing to the gallery". It said that this constituted an "aggravating factor" and that the damages awarded last September should be increased.

Charles Gray QC, who represented Mr Jeyaretnam in the appeal, said yesterday: "It is astonishing in a country which calls itself a democracy not to let political opponents exchange political points through their counsel."

Mr Jeyaretnam has said he will not give up the fight, but cannot pay the amount awarded to Mr Goh by next Wednesday's deadline. "If Mr Goh pursues me into bank-

ruptcy court, I shan't be able to pay... and I will have to vacate my seat in parliament," he said yesterday.

Mr Jeyaretnam has been ordered to pay all Mr Goh's costs and a fine of \$4100,000 (\$35,650).

The appeal court also ruled that the high court judge should have found Mr Jeyaretnam guilty of "malice" in making the remark held to be defamatory of Mr Goh: this is regarded as an unusual ruling. It is also odd, in Mr Gray's view, for a court of appeal to intervene on the question of damages in an up-wards direction.

Amnesty International says that the ruling PAP has used defamation suits to silence

"dissenting voices". Amnesty criticised the appeal court's decision as "a further step in the insidious erosion of the right to free speech."

The Singapore government has accused Amnesty of joining in a "co-ordinated, partisan propaganda campaign" against it. It says that Singapore's future would be seriously damaged "if government leaders who are defamed are afraid to clear their names in court."

The case of Mr Jeyaretnam was cited by the US state department in its year's Human Rights Report. It said that Singapore used legal processes such as libel and defamation suits to stifle freedom of speech.

مكتبة النور



Leaked ruling on anti-Basque activity splits Spain

## Ex-minister faces jail over 'dirty war'

Adela Gooch in Madrid

SPAIN'S supreme court is to sentence a former Socialist minister and his deputy to 13 years in prison for their involvement in a "dirty war" fought against the Basque separatist group ETA during the 1980s, according to a report yesterday in the daily newspaper El País.

The court is not due to deliver its judgment until next week, and the leak to a pro-Socialist paper, could be a last-ditch attempt to influence a politically explosive case involving the two men directly responsible for law, order and counter-terrorism in Spain's first Socialist government after the death of General Franco.

According to the report, José Barriónuevo, who was interior minister under Felipe González, and Rafael Vera, his secretary of state for security, will be found guilty on two of three counts arising from the kidnapping of an alleged ETA activist, who turned out to be unconnected to the group, in the French Basque country in 1983.

The action was the first claimed in the name of the Anti-Terrorist Liberation Groups (GAL), which went on to kill 28 people in a series of bungled, amateurish operations between 1983 and 1987. The scandal generated by

their activities, revealed in newspaper investigations, played a key role in Mr González's 1996 electoral defeat.

The court is expected to uphold charges of kidnapping and embezzling public funds against the two men. But it is expected to reject a potentially more serious charge that they set up and organised the GAL, on the grounds that it was not a formal structure.

The leak, later confirmed by other newspapers, puts paid to suggestions that the court might dismiss the case because the events took place too long ago to be judged fairly now. Under Spanish law responsibility for crimes lapses after 10 or 15 years.

But the time lag could still be used to procure a reprieve or pardon for the convicted men, who would otherwise probably serve four to five years of their sentence.

The court is likely to pass similar sentences on 10 other defendants: lesser ranking officials who admitted involvement with the GAL — incriminating Mr Barriónuevo and Mr Vera — while arguing that they simply followed orders.

The verdict is not expected to be unanimous, with seven judges finding the two men guilty but four dissenting. That dissent may be used to question the impartiality of the court, whose members are political appointees, and increase pressure for a pardon.

The case has divided Spaniards between those who feel there can be no exceptions to the rule of law and those who argue the dirty war was justified when ETA was killing up to 80 people a year.

A majority of people polled believe Mr Barriónuevo and Mr Vera are guilty but that they should not be jailed. Some 30 per cent said they approved of the dirty war.

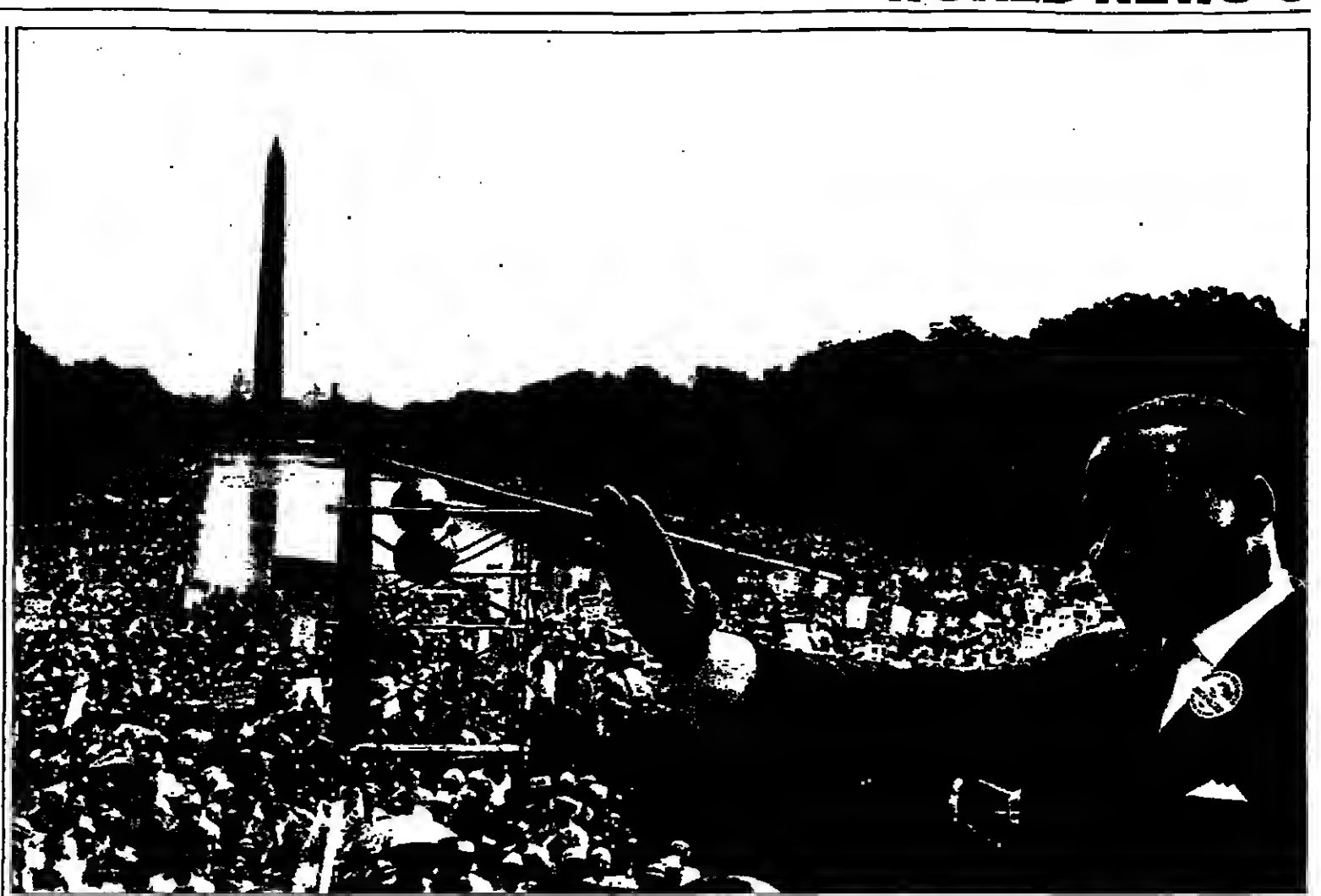
The issue which raised most concern was the siphoning off of public funds meant to fight terrorism.

Even the GAL's harsher critics have balked at the thought of a former minister in Spain's relatively young democracy going to jail. Many see Mr Barriónuevo as a political scapegoat for the former prime minister.

The supreme court ruled last year that there were no grounds to charge Mr González, who gave evidence during the trial.

But to many, Mr González's protestations that he read of the GAL in newspapers ring hollow. He has never expressed regret at the affair, only indignation that his political opponents used it to oust him.

A guilty verdict will raise doubts again as to how much he knew, while doing little to help him succeed Jacques Santer as president of the European Commission — a post for which he has been tipped as a frontrunner.



Martin Luther King before 200,000 people at the Lincoln Memorial, during the historic March on Washington in August 1963, giving the speech which became etched into the history of the civil rights movement and instilled in the memory of every American schoolchild

## Martin Luther King's immortal words have been set free at last

A judge has decided the text of the epic speech can be legally reproduced for the first time, writes Ed Vulliamy

THE disputed ownership of some of the finest words ever uttered in America has been settled by a court in Atlanta. The text of Martin Luther King's epic speech, with its refrain "I have a dream...", can be legally reproduced for the first time today.

The US federal court in Atlanta ruled on Wednesday afternoon that the people of the United States, and not King's family, own the speech that ended "Free at Last Free at Last".

King's speech was given before 200,000 people assembled at the Lincoln Memorial during the historic "March on Washington" in August 1963. It became etched into the history of the civil rights movement and America's post-war epoch.

The words were also carved into every American schoolchild's memory: "I have a dream that one day down in Alabama..." Which is why, in 1998, the USA Today newspaper, as part of its commemorations of King's birth, published its entire contents, only to be sued by the King family for infringement of copyright. The paper paid \$10,000 in an out of court

settlement, plus a \$1,700 fee for using the speech without permission. The manoeuvre bemused America; the issue hung in limbo.

Then CBS television included two-thirds of the speech, as shot on the day, in a retrospective documentary series The Twentieth Century with Mike Wallace, a commercial video used in schools. "It could hardly be left out," a producer said yesterday.

The CBS contract had been signed with the producers of the video, Arts and Entertainment Weekly, and King's family duly sued again. What came to light was an attempt by King himself to restrict the circulation of his words.

In September 1963, a month after the rally in Washington, the Civil Rights movement had helped to found the Southern Christian Leadership Conference, published the text of the speech in its newsletter. King was clearly annoyed. On September 30 he applied successfully for a copyright on the speech, also won a court injunction which blocked the sale of unauthorized recordings of the speech, which were circulating across the black South.

It was on the basis of these decisions that the King family, led by King's son Dexter, contested the CBS broadcast as unlawful, filing a writ in Atlanta in December 1996. It was not the first time that Dexter King had engaged in a legal battle over his father's legacy.

Quite apart from his tireless campaign to prove that his father's killer, James Earl Ray, was not working alone and was part of a murderous FBI conspiracy, he had challenged the National Parks Service in Atlanta over who

had the right to manage a civil rights movement theme park, called I Have A Dreamland.

The row pitched King aide and former Atlanta mayor Andrew Young against other civil rights leaders. Young said the government had the right to manage King's "intellectual property", while local representative John Lewis said the legacy was "not up for sale like soap".

Now Judge William O'Kelley has at least settled the issue as regards the speech. In a 17-page verdict, he ruled that

advance copies of the text had been circulated to news organisations on the day of its delivery, and that no copyright notice had appeared on that version. He added that the organisers of the march had "courted publicity" for King's words.

The family said that advance copies to journalists had been issued after assurances that the contents would be restricted only to them. But the judge ruled that dissemination of the speech had been unlimited, and its contents "made available to members of the public at large, without regard to who they were, or what they proposed to do with it".

The King family's lawyer, Joseph Beck, said: "We are studying the opinion and are likely to appeal." But leading media attorneys in Washington welcomed the decision. One, Sandra Baron, said: "An effort to prevent its use for historical reference, when it is so clearly of historical value, was — and should have been — doomed to failure."

CBS News president, Andrew Hayward, said: "We took on this case to protect the public's right to know. The decision means that Dr King's landmark speech is truly in the public domain, where it belongs. It's not CBS but the American public that won." That public now becomes the owner of King's words, which are themselves free at last.

### Speech that gripped the nation

The following are extracts from Dr King's oration

I HAVE a dream that one day down in Alabama little black boys and black girls will be able to join hands with little white boys and white girls as sister and brothers. I have a dream today!

... With this faith we will be able to hew out of the mountain of despair, a stone of hope. With this faith we will be able to transform the jangling discords of our nation into a beautiful symphony of brotherhood.

With this faith we will be able to work together, to pray together, to stand up for freedom together, knowing that we will be free one day.

## McCurry quits as White House master of spin

Ed Vulliamy in Washington

MIKE McCurry — President Bill Clinton's press spokesman and first line of defence against the hurricane of sex scandals — made news himself yesterday at the regular press briefing. Mr McCurry dwarfed the details of an aid package to drought-stricken farms by announcing his resignation.

He gave no reason, saying only that he will be succeeded in what is known as "the pressure-cooker job" on the podium of the cramped White House briefing room by his assistant, Joe Lockhart, in October.

Mr McCurry has been the White House's public face through good times and bad, claiming economic and diplomatic successes.

But — day in, day out — he has fielded the fusillades of press and television questions on his master's alleged, but denied, relationships with Paula Jones, Kathleen Willey and Monica Lewinsky.

"The long-awaited coup in the press office is finally taking place," said Mr Clinton, adding that Mr McCurry was



Mike McCurry: 'Few could match wit and intelligence'

departing "much to my regret". "Few could match his intelligence and wit from the podium," the president said.

Mr McCurry has been a pro-active spokesman and prince of denial, contemptuous of what he regarded as a media industry feasting on innuendo. He would telephone reporters to say: "I can't believe you're gonna run this story."

He often made this view known through his wit and on one occasion mocked his clientele by briefing with a large paper bag over his head, so as to be "an anonymous White House source".

But speculation yesterday as to why Mr McCurry had resigned was focused on the main reason: he became a favourite of the White House press corps: he employed not just a sharp wit and tongue, but also body language and facial expressions which left open the possibility of a dichotomy between his robust denials and his private thoughts.

Washington's leading media analyst, Howard Kurtz of the Washington Post, said that Mr McCurry "dearly prized his reputation for candour" but "sometimes fell up to the line separating flackery from falsehood". However, said Mr Kurtz, "he never crossed it".

Mr McCurry, who entered politics alongside Bobby Kennedy in 1968 and later fought racial segregation in schools, said yesterday: "I'm going to wait and see how things balance out. I'm probably not going to make any final job decisions anytime soon."

## Mandelson's criticism enrages Brazilian left

Alex Bellos in Rio de Janeiro

PETER Mandelson, the Minister without Portfolio, has caused a major political storm in Brazil by angering the main leftwing presidential candidate, Luis Inácio Lula da Silva, with comments that his party is old-fashioned and narrow-minded.

Lula, as he is universally known, accused Mr Mandelson, who arrived back in London yesterday after a three-day official visit to Brazil, of "profound ignorance" of the country, and of "naïveté" and "irresponsibility" for meddling in domestic politics.

Mr Mandelson was also described as "a vulgar propagandist of a nebulous Third Way" in a statement from Lula's Workers' Party.

Marco Aurelio Garcia, its secretary for international relations, added: "Mandelson has not realised that colonialism is over. He might as well have turned up in Bermuda shorts, a head piece and white feathers."

The minister made his comments on Tuesday at a press conference in Brasilia, where he had been invited by President Fernando Henrique Cardoso to launch the Portuguese translation of Tony Blair's book, New Britain: My Vision of a Young Country.

Mr Cardoso, a former left-winger who underwent a Blair-like shift to the right and now leads the centrist block in Congress, wrote the introduction.

When asked whether Lula's politics were compatible with the Third Way, the ubiquitous catchphrase used to describe Mr Blair's New Labour agenda, Mr Mandelson

replied: "Lula is committed to a traditional left vision that in many ways is backward-looking and not consistent with the Third Way."

The minister described Mr Cardoso, on the other hand, as "progressive and innovative". The Workers' Party said it was saddened by the comments because it had traditionally had good relations with the British Labour Party. Mr Garcia said plans had been under way for Lula to visit Mr Blair.

On Mr Mandelson's arrival back in Britain, Downing Street issued a statement saying the minister was "relaxed" about the criticism he had generated. It said Mr Mandelson had made no comment on intervention in the Brazilian election campaign, and "no attack on Lula".

Later Mr Mandelson said Brazil had a "very exciting story to tell" as it transformed itself into a mature social democracy. He said he

had met all the main parties, adding: "The only people who are criticising me are the old wing of this party."

To controversy is all the more embarrassing because the Workers' Party and the Labour Party both belong to the Socialist International (SI), the worldwide grouping of leftwing parties. Lula's vice-presidential candidate, Leonel Brizola, also an SI vice-president, has declared Mr Mandelson "persona non grata".

Many in the Workers' Party believe Mr Mandelson fell into Mr Cardoso's trap of using his muscle as an international statesman to undermine Lula's campaign by urging high-profile criticism.

Last month the Argentinian president, Carlos Menem, said that if Lula won it would plunge Brazil into "chaos". He was then forced to make a public apology.

In the polls Mr Cardoso has a comfortable lead over Lula, who has lost twice before.

### Lula: The Workers' Way

The Workers' Party was founded by Lula in 1980 after he led a series of strikes by metal workers in São Paulo in the 1970s.

He first contested the presidential election in 1989, the first democratic elections after more than two decades of dictatorship. He lost to Fernando Collor de Mello. In 1994 he lost to Fernando Henrique Cardoso.

The party has 100,000 members. Main policies: Economy — against privatisation. Will stop programme of mass privatisations but will not

## Chechenia's president escapes car bombing

James Meek in Moscow

ASLAN Maskhadov, the leader of Chechenia, escaped a car bomb attack yesterday in the latest episode of his struggle to prevent the Chechen Republic from collapsing into civil war.

Mr Maskhadov, who commanded Chechen forces in the tiny region's victory over the former Red Army two years ago, was slightly injured in the blast. The blast killed one bodyguard, injured six other people and destroyed two cars in the president's armoured motorcade as it travelled through the capital Grozny.

Mr Maskhadov, seen in Moscow and the West as a moderate who can rebuild Chechenia, was the target of several assassination attempts during the war with Russia. However, this was the first since his election as president last year.

The attack was probably part of a growing conflict between different Chechen factions in which the president and a fundamentalist Islamic movement with links to the Middle East, the Wahhabis, are on opposite sides.

The latest crisis inside Chechenia began last week in the town of Gudermes, the territory's second city. Six people were killed and 15 injured in a clash between two armed bands, at least one of which fought under the banner of Wahhabism.

Mr Maskhadov hit back at the movement at the weekend by expelling four alleged "foreign" activists. He accused them of trying to split Chechenia along religious lines. He then sent 5,000 troops to tackle the armed gangs roaming the territory.

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# Mandela's agents vie with old guard

The case of a man arrested for threatening the president reveals rifts in the intelligence forces, write **David Beresford** and **Mungo Soggot** in Johannesburg

**A**T 2.15pm on November 11 1997 a cleaner found a brown envelope in the third-floor men's toilet of the new headquarters in Pretoria of the South African National Intelligence Agency (NIA). Zolile Ronnie Mphahlele was illiterate and asked a passerby what was written on it. He was told it was addressed to Dr Sizaale Sigashe — the country's spy-master.

What the envelope contained and its consequences for one intelligence operative offer a startling insight into the difficulties faced by President Nelson Mandela more than four years after the "liberation" of the country. The letter was a threat to blow up the agency building with Mr Mandela inside it. The extortionist demanded 10 million rands (\$1 million) or the blast would occur on December 5, when the president was to open the building.

December 5 came and went, and Mr Mandela tore a strip off the intelligence community for incompetence. The letter was handed to the NIA's security directorate for investigation. The directorate was already investigating anonymous letter threats after a complaint from a senior agency analyst, Donovan Nel.

Mr Nel was highly rated by the NIA. A veteran of African National Congress intelligence, he had been working on a report for the president on the activities of "rogue" security force personnel involved in criminal syndicates

— believed to be a major factor behind high crime levels.

A few months earlier Mr Nel and his girlfriend — a South African secret service agent — began receiving racist telephone calls and letters. Mr Nel was classified Coloured under apartheid and his girlfriend white. One letter told the woman: "We work with you and no [sic] every move you make. Future male companions of yours will be warned that you were probably fucked by a Kaffir."

The bomb investigators came to the extraordinary decision — despite Mr Nel's having complained to his superiors about the slow pace of the investigation — that the

**It's unlikely an intelligence veteran would mount such an extortion bid; the suspicion is that he was set up**

bomb threat and racist letters were his own work.

Their theory was that Mr Nel had had a row with his girlfriend and, desperate to win her back, wrote threatening letters to himself and to her to persuade her that their love had fallen foul of racism. Mr Nel then made the bomb threat to raise money to enable them to flee abroad.

The "proof" included: □ Copies of the threatening letters on the agency's mainframe computer which indicated they were written on Mr Nel's terminal; □ Evidence that the bomb-threat letter was photocopied

on a machine opposite Mr Nel's office; □ Evidence from a handwriting expert that Mr Nel "probably" wrote all the letters, and testimony from a psychologist that the contents fitted his psychological profile.

Mr Nel was arrested, but there were holes in the case. It is unlikely an intelligence veteran would mount such a crude extortion bid. The letters could have been planted in the computer. Other staff had access to the photocopier. The identification of the bomb letter with that machine was facilitated by a sheet of blank paper inexplicably left in the envelope by the extortionist.

The police psychologist concluded Mr Nel was guilty from his written statements, without meeting him.

There are other questions, such as why investigators failed to act on Mr Nel's demands that he be given a routine lie-detector test.

His trial is likely to start in December at the earliest. He

has been allowed £200 bail.

The NIA and the secret service were an amalgam of the intelligence services of the apartheid government and the liberation movements. The white "old guard" staff are overwhelmingly in the majority, although there are black appointees in key positions.

The suspicion among Mr Nel's supporters is that he was set up by this old guard out of prejudice against his ANC background, resentment at his affair with a white woman, or to disrupt his investigations into syndicated crime.

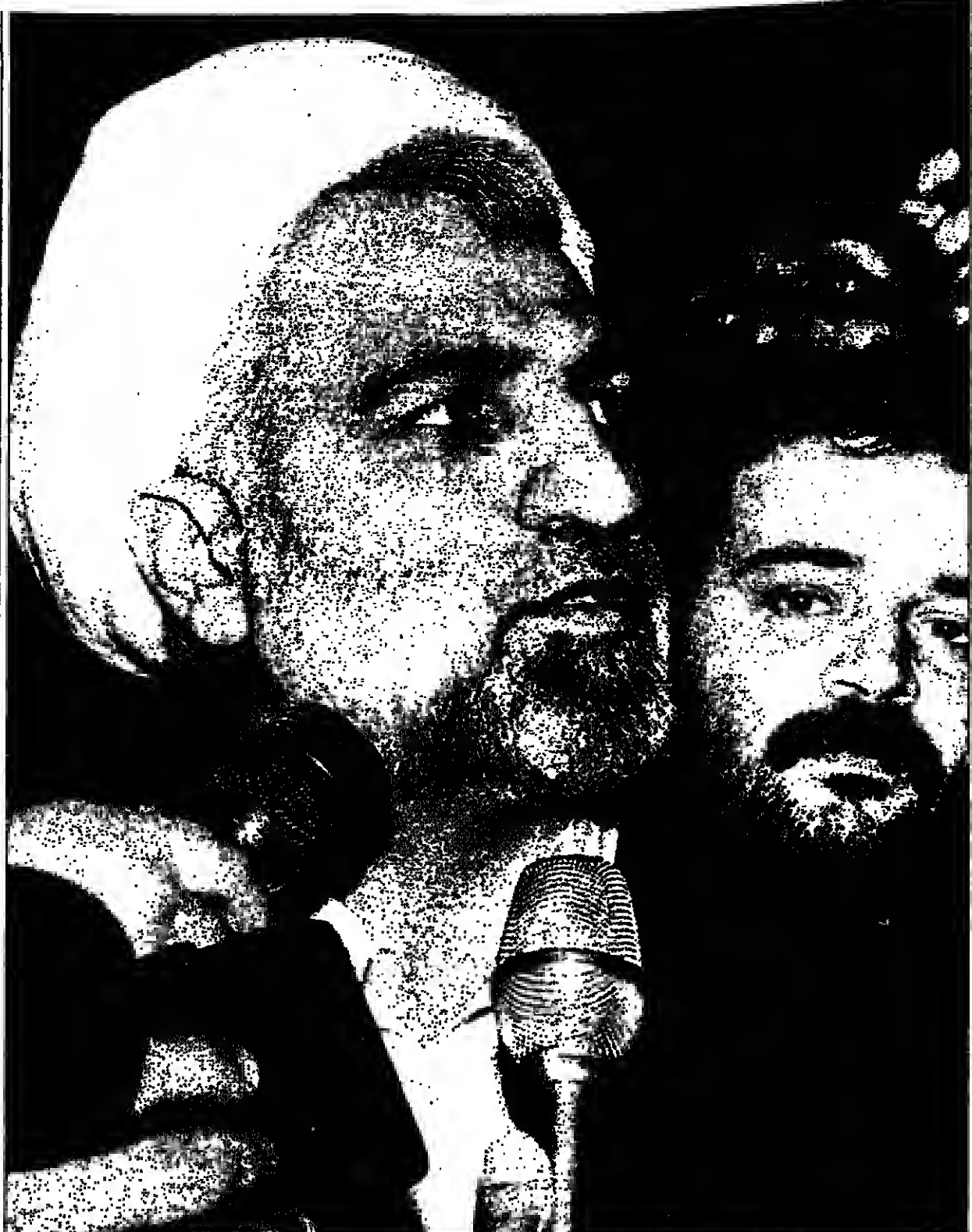
If so, it would be nothing new. The commander of the South African National Defence Force, General George Moring, was forced into early retirement in April after evidence suggested a senior foreign affairs desk officer — arrested in Mozambique while investigating cross-border gun-running to criminal syndicates — had been framed by military intelligence on arms charges. Inexplicably, four months after his arrest the officer, Robert McBride, is still in a Maputo prison.

The harsh reality for Mr Mandela is that he cannot rely on his security services. Two weeks ago there was a baffling eruption of violence in the Richmond area of KwaZulu-Natal. The ANC police minister, Sydney Mufamadi, announced emergency steps to counter the violence, including the transfer out of the area of unidentified police officers suspected of involvement.

Mr Mufamadi omitted to disclose that he had tried in April to have the suspect policemen transferred, but they had defied him, threatening legal action. Two of the four senior officers were former members of the apartheid-era security branch and have been identified by the ANC as the "handlers" of a local warlord and police spy, Sifiso Nkabinde, a central figure in the Richmond violence.

Peace monitors in the province believe Mr Nkabinde is part of a renewed "Third Force" conspiracy to prevent an ANC takeover of Inkatha-controlled KwaZulu-Natal in next year's general election. They report rumours of paramilitary training at secret camps.

"No easy walk to freedom," goes the saying famously associated with Mr Mandela. But as the case of Mr Nel seems to show, it is likely to be a harder road yet to stability and normality.



Judge Gholamhossein Mohseni Rjal announces to reporters in Tehran yesterday his verdict against the reformist mayor Gholamhossein Karbaschi, who was jailed for five years for embezzlement. PHOTOGRAPH BY ATTA KENARE

## Tehran mayor jailed in latest blow for Khatami

Julian Borger  
Middle East Correspondent

**T**HEIRAN'S reformist mayor, Gholamhossein Karbaschi, was sentenced to five years in jail on charges of embezzlement by an Iranian court yesterday, in what was widely perceived as a conservative backlash against the authority of President Mohammed Khatami.

Delivering an unexpectedly harsh sentence, the judge also banned Mr Karbaschi from politics for 20 years, fined him £210,000, ordered him to pay £3.6 million in restitution to the city and added a penalty of 60 lashes, suspended for four years.

Mr Karbaschi, one of the president's closest allies who has been Tehran's mayor for the past nine years, was not in court to hear the sentence. He has 20 days in which to appeal. Judge Gholamhossein Mohseni Rjal, who also acted as prosecutor during the trial, denied that the country's continuing political struggle between conservative clerics and President Khatami's relatively liberal followers had influenced his decision.

"It was my duty to deal with this case as with all other cases," he said. "I considered God and the doom-day in issuing my verdict."

The judiciary is dominated by ultra-conservatives who have tried to use the courts to reverse the president's reform programme since last May's elections.

The conservatives scored another important victory in the courts yesterday when an outspoken pro-Khatami newspaper, Jameah, was closed down after losing an appeal against the revocation of its licence. Jameah, which had pushed out the limits of political criticism since its launch last year, was accused of publishing "insults and lies".

The conservatives have used their majority in the lower house of parliament to impeach the pro-Khatami interior minister, Abdullah Nouri, but on Wednesday the president forced through his choice as successor, Abdolvalah Mousavi-Lari, another moderate cleric.

Most of the Tehran press had predicted Mr Karbaschi — a revolutionary cleric turned technocrat — would escape a jail term. The mayor, who has mass support among the city's 12 million residents, was widely considered a future presidential candidate. If upheld, the jail term and the 20-year ban will end his political career.

Mr Karbaschi, aged 45, won popularity by improving the quality of life in the over-

crowded capital, cutting pollution, planting trees and flower gardens, and bringing cultural events to the poor suburbs. But in seeking to rejuvenate the city, his own staff admit, he occasionally cut corners to avoid bureaucracy — leaving him vulnerable to attack in the courts.

He further angered Iran's conservative ayatollahs by throwing his weight behind the Khatami presidential campaign. During the trial, the prosecution claimed he had illegally channelled municipal funds into the campaign and his own pocket.

In response the mayor challenged the competence of the court, which he said was politically motivated, and claimed several prosecution witnesses had been tortured into giving evidence.

When Mr Karbaschi was arrested in April, students took to the streets in protest, ignoring pleas for calm from their own leaders. This time, however, most students are on their summer holidays.

"We won't see the full reaction until the papers come out on Saturday," Hadi Semati, a political scientist at Tehran University, said yesterday. "It's clear people will be upset, but the serious response may not come until late August when the students come back."

## Iran tests missile able to strike Israel

Mark Tran in New York

**T**HE White House confirmed yesterday that Iran had tested a missile with a range of about 800 miles — capable of hitting Israel and Saudi Arabia — a development that could change the balance of power in the region.

It was not immediately clear whether the test was a success because the missile blew up in the later stages of its flight.

United States officials said the missile might have been detonated on purpose after its controllers were satisfied with its performance or blown up accidentally. In either case, it travelled far enough to convince US intelligence of its medium-range capability.

A spy satellite detected the test early on Wednesday morning, tracking the launch and trajectory of the Shahab-3 missile, believed to have been bought from North Korea.

Intelligence sources say Iran is working on a nuclear warhead but is thought to be years away from building and testing a weapon. Israel is the only nuclear power in the region, with missiles believed to be capable of

striking any country in the Middle East.

"It is a source of concern to us that they are pursuing a programme of this nature," said the White House spokesman, Mike McCurry.

But he tried to play down the strategic implications. "One single missile test does not change balance of power."

Iran's test poses a challenge for American diplomacy. The US has sought to improve relations with Tehran after a long period of estrangement dating back to the Islamic revolution in 1979.

Last month the US secretary of state, Madeleine Albright, praised Iran's president, Mohammed Khatami, a moderate locked in a power struggle with the country's more hardline spiritual leaders.

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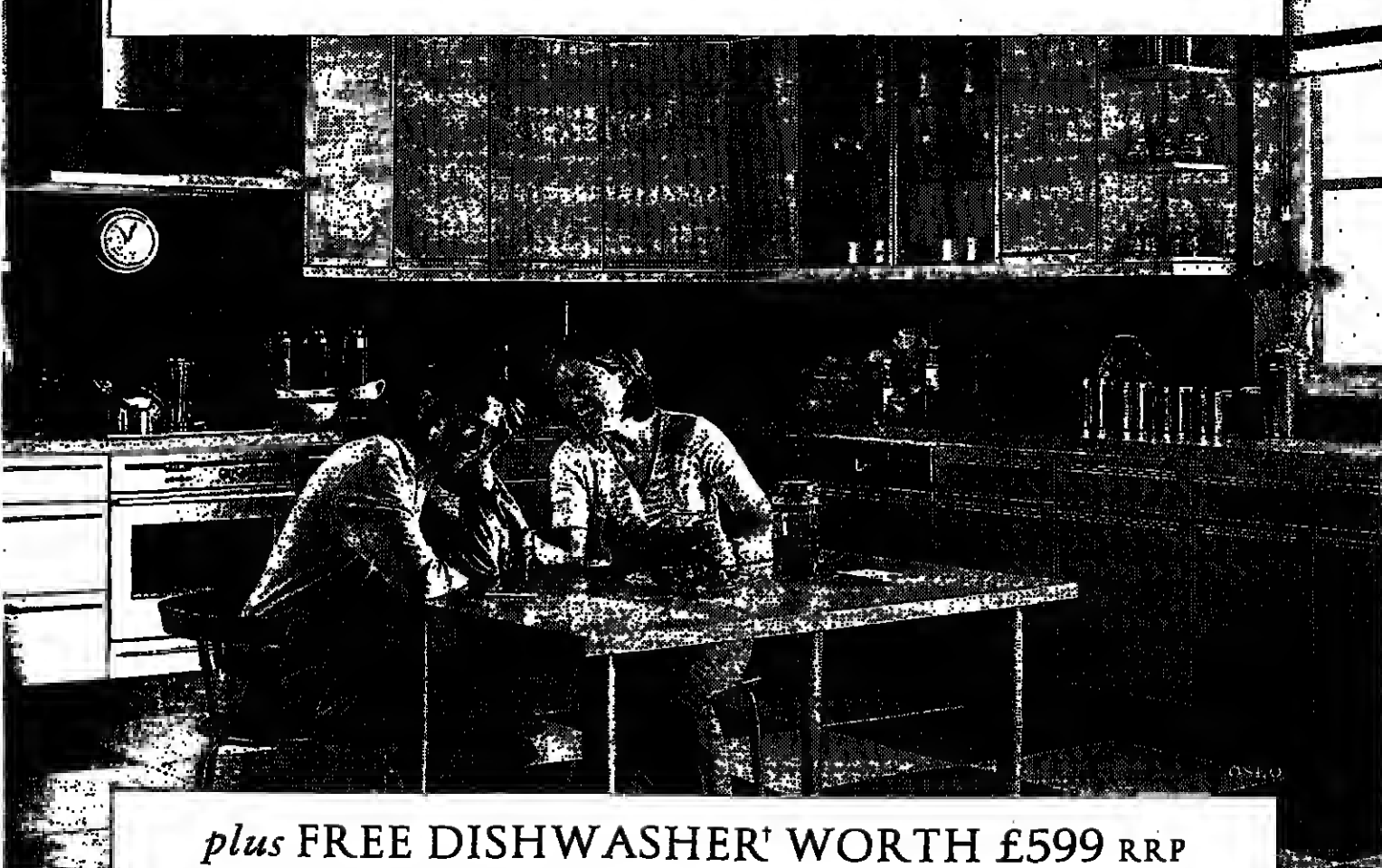
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مكتبة العصر



# Analysis Siege culture



Soft on crime?  
Three cheers  
12

## Liberté, égalité, médiocrité

Today the Government announces measures to boost British film making. But can the American cultural tide be resisted? The French have tried hard with, as Stuart Jeffries reports, no great result

France's World Cup was wonderful but the glow is already fading. After all the international attention and the feeling of the agency of self-examination is returning, heightening old Gallic worries about loss of identity in a globalised (read Americanised) world. Perhaps, the French experience has lessons for us all: if the proud French cannot hold back the tides, no one can. Would that matter? Isn't a culture without frontiers, based on transnational capitalism, better than lots of nations fighting for their misplaced cultural virility?

Jack Lang, the former French culture minister, worries that the World Cup itself was a sign and symbol of defeat. That the ghostly *monde des géants* that launched the Mondial was *une faute de goût*. "What if," asked Lang nervously, "this lapse of taste is the symptom of a graver fault: the decline of our artistic and scientific prowess abroad?" (1) The nation which prides itself on its effortless superiority could only mark the great event with a tacky bunch of monsters prancing in the Stade de France.

To *liberté, égalité, fraternité* we need to add *mediocrité*, or at least a lively fear of it. Stump, for the proud French, must be resisted by all means — import controls, subsidies for French artists funded from taxes of foreign cultural products, quotas. France, French people often feel, is a country under siege and so must adopt a Ben-Like siege culture in response.

But how can American culture be resisted? Thanks to quotas 60 per cent of films shown in a country, say, may be domestic, but it is harder to ensure that one's countrymen don't go to see *Titanic* in their millions and ignore the local product. Policing the French language to ensure it is not overrun by English terms is difficult in the age of the internet, although a linguistic defence association has used French law to try to keep English off French-based web sites. In the end, though, such siege economy tactics — from halting the weekendisation of French to the Goddardisation of French cinema-going — are like trying to catch water.

And yet, if there is one country that could take on the United States, it's France. Objectively, this is a great nation, still. "With the fourth biggest economy, nuclear weapons and a permanent seat on the United Nations Security Council, it can claim to rank behind only Washington in international reach and ambition. Since General de Gaulle restored the country's faith in itself after 1958, the national psyche has sprouted a self-confidence that is not always becoming," says the author of a new book (2).

An example of this misplaced self-confidence was the

announcement last year by the French actor Alain Delon that he was to make 26 films, each celebrating an aspect of French heritage. It would be, he claimed, "devoted to the glory of France, showing that we are on an equal level with the Americans". Equal level? While some French artists posture, other more interesting cultural products, legacies from France's colonial past, such as *rai* and the great African music scene in Paris, get neglected.

The desire to resist American "cultural imperialism" has waxed and waned. During the Cold War, UNESCO was a vehicle for fierce ideological struggle by Third World and Soviet-aligned countries against the United States. But the Canadians can hardly be accused of being fellow-travellers. Earlier this month British arts minister Mark Fisher was among those taking part in an international governmental conference in Ottawa, capital of a country so overrun that 96 per cent of films shown there are American.

For France, such homogenisation is intolerable. Not least because France once swept the cultural world before it: it has won, after all the most Nobel Prizes for literature, though significantly none since 1985; its films, at least in the heyday of auteurs such as Renoir, Godard, Truffaut, Rivette, were perhaps the greatest and certainly the most influential of their day; its painters in the early years of the century, such as Cézanne and Matisse, revolutionised their medium; and, so seductive was the French artistic climate that Picasso, Hemingway, Chagall, Joyce, Beckett to name but a few were drawn there. True, its pop music has rarely risen above Johnny Hallyday, but you can't have it all.

Now the scene is very different. The World Cup may have ended with victory for the French, starting the biggest French party since VE Day, but the United States still managed to gain the edge. As the captain, Didier Deschamps, held the trophy aloft in the Stade de France, flanked by both Jacques Chirac and Lionel Jospin, and millions of Gallic hearts rose with the cheers, triumphalist music started around the stadium. Something from the French repertoire perhaps? Bizet, perhaps, or something from the Boulezian cutting edge or even the Jean Michel Jarre wing of Gallic banality? No, it was the Star Wars theme, film music written by the American composer John Williams. There could hardly be a more resonant moment in modern French culture.

But the French cultural collapse is arguably not just due to American influence. Something else is surely afoot. France's formerly fashionable philosophers, thanks to the



likes of Alan Sokal, are becoming an international joke. French painters wield little influence. Internationally-renowned French writers are disturbingly few in number. And

French film, that post-war symbol of the country's artistic virility, is increasingly marginal to other nations' lives. Jack Lang estimated that only 2 per cent of films shown in Britain are French, and an

even smaller proportion of those shown in the US and Japan. *Les Visiteurs*, France's most successful film yet, grossed a pitiful \$36,732 in the United States. The world seems to have lost interest. If such feebleness is a consequence of American cultural imperialism — as many French artists believe — then you will want the city's walls built higher to resist the Yankee barbarians at the gate.

*Le défilé américain* is not irresistible. Five years ago France negotiated cinema, music and television exception clauses in the Uruguay round of talks in the General Agreement on Tariffs and Trade. As a result, France was allowed to continue with special quotas and taxes on foreign movies and television, supplying funds to subsidise French movies.

But the success of this project diplomacy is doubtful. Three years after the GATT agreement, the veteran star Jean-Paul Belmondo, furious that his French film *Désiré* was being shown in only six cinemas, while the American computer animation film *Toy Story* was on show at more than a quarter of France's 2,000 screens, railed against French producers for being on their knees to Hollywood film distributors. How could Hollywood be resisted when it

retained such a stranglehold over distribution: despite the quota system *Titanic* took only 13 weeks to become the most watched film in French history. The graphic shows the dominance of American films in the French market, despite the relatively large amounts of money pumped into film and video production, thanks to hypothecated taxes on cinema going and the sale of television sets (3).

For France it's a language issue. The so-called *Loi Toubon* forbids the sale or advertising of goods and services in France in any other language than French; during 1995, 32 organisations were found guilty of failing to comply with the law, ten more than in 1992. Last year, though, an attempt to sue Georgia Tech Lorraine, an offshoot of the US-based Georgia Institute of Technology, for breaching the law was dismissed. The institute had failed to translate every page of its internet site into French, but argued it was technically impossible to do so.

Symbolic of French cultural reverses is Minitel, state-subsidised 20 years ago hailed as a great French invention that would be exported to the rest of the world and bolster French global influence. Last August, the prime minister, Lionel

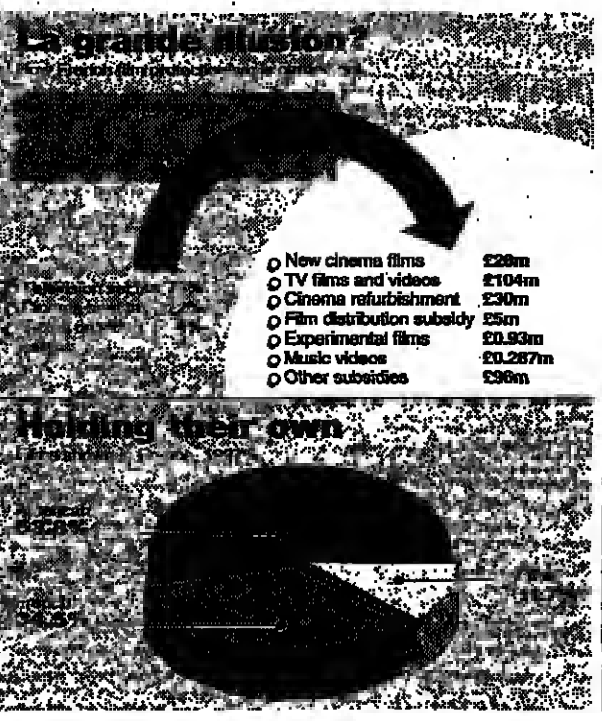
Jospin, admitted that the system was impeding France's access to global communications. Minitel offered access to thousands of services, including airline booking and erotic phone lines, by means of a phone-linked terminal. Some 14.5 million business and home users plug in compared with France's one million internet users. But these figures seem set to change not least because the rest of the world has been unimpressed by Minitel's usefulness.

France is culturally enfeebled? Has it been caused by or merely marched alongside protectionist policies? According to Jonathan Fenby "The conservative strain in French life has always been far stronger than the revolutionary images suggest. Now, it is more paramount than ever, with the ultimate paradox that governments of the left are elected because they are seen as bulwarks of economic and social conservatism in a nation which cannot accept that it does not have a god-given right to be an exception in a global epoch." Lang asks of French cultural enfeeblement: "American

imperialism? It's a well known tune, but it should not exonerate us from a serious examination of our national conscience. Have we really given ourselves the means our ambitions require?" He calls for the creation of a foreign cultural minister, whose role would be to promote French culture overseas, with, he argues, great economic benefits to France.

He recommends an unchained cultural policy, celebrating the cultures of other Europeans as well as its own in order to defeat American culture. Would that work... Europe against America, the final conflict? Probably not. Will French culture then cease to renew itself and be swallowed up whole by the United States, leaving only a rich memory behind?

Sources: (1) Jack Lang, *Culture en berne*, Le Monde, June 30; (2) On the Brink: *The Trouble with France* by Jonathan Fenby published by Little, Brown, August 27; (3) Centre National de Cinématographie (CNC), info 269 May 1998. Graphics sources: FT Screen Finance; CNC. Graphics research: Jane Crinion. Illustrations: Andrzej Klimowski. Stuart Jeffries is the Guardian's Friday Review editor.



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# Comment

## Diary

Matthew Norman

**W**ORRYING signs emerge of a schism at the heart of British Catholicism. In the Spectator, Paul delivers a stiff rebuke to Carla Powell over her public description of the Pope as a totalitarian. "My friend Carla ought to know better — indeed does know better," writes that sane and rational sage. "As the Bible says, 'the fear of the Lord is the beginning of wisdom'. The next best thing to the fear of the Lord is the fear of the Pope, his vicar on earth." Rather than reflect whether one's terror of John Paul II and respect for his infallibility should extend to obeying his strictures on marital fidelity, let us rejoice that their dispute has not ruined the Swiss Alps walking holiday they are sharing with Taki-George. An Alpine goat herdsman called Hans rings to report that the trio have been re-enacting the Sound of Music. Paul taking the role of Captain Von Trapp, with Carla as Maria and Taki-George cast to type as the SS officer chasing them through the mountains. "They have been doing very much of the skipping," reports Hans. "and their Sidelweiss is now the talk of my valley."

**A** NEW contender steps forward in the race to amend Britain's most amusing PR practitioner of 1998. It is the Grove PR consultancy in west London, which sends a letter concerning a new pen called the Parker Sonnet. "As someone who uses words for a living," writes Lucy Ekinbell, "you know only too well that writing is a craft — and like any craft it is best practised with the finest tools available." Lucy, how right you are. Here at the Guardian, the more forward thinking of my colleagues have recently taken up the use of fountain pens to write their copy, although personally I have always found them slightly confusing and prefer to stick with my trusty quill. But since you have taken the trouble to send me one of your splendid pens, I am prepared to give it a go, strictly on a limited trial basis.

**I** S anyone in possession of a copy of either Family Business or Coming To Terms, the meticulously entitled Harper Collins novels by Anna Murdoch?

**N**OT even his lengthy article about her in the Sunday Times can dampen the ardour of Michael Winner's stalker. "No, she hasn't stopped calling," he says when we call. "I'm still getting two calls a day." Michael goes off to fetch the phone. "Let me see," he says. "She told Fraser she loved him twice yesterday, and today I think she mistook my secretary for Vanessa" (his girlfriend). "She called her earlier this morning and said: 'Vanessa, is that you? You fat old cow.'"

**I** LL feeling grips the cabaret circuit in the north east, reports the Stage, after a heated incident at Newcastle's Hiera Club. Tony Hickson's tasteful finale to his After Elvis Death act, in which he rises from a coffin and fires a gun at the audience, was ruined when club host Geoff Innocent invaded the stage, slammed down the coffin lid and slipped on a catch to lock the performer in. "The show seemed a bizarre and unusual idea," says one member of the audience, "but he went on far too long with the hip-swinging at the start and the show went downhill from there. The host just did what many of the crowd were thinking." Mr Hickson seemed to disagree, describing Mr Innocent's disruptive behaviour as being "totally unprofessional".

**T**HE search for July's PC Brains moves to Paris, where a cyclist nipped for riding the wrong way down a one-way street proved to be a trainee policeman. Still, at least he had a sound explanation for the gun he was illegally carrying. He had the firearm, he told arresting officers, because the neighbourhood to which he was cycling in order to buy drugs was not safe. "I think his presence in police school is about to come to an abrupt end," a senior spokesman told Reuters.



## Teenage crime: keep your fingers crossed, but here's a solution

Decca Aitkenhead



**A** NNA Nicole Smith, the American model, was once asked if she'd ever had a mentor. "Oh no," she replied. "I don't need to worry about that because I have a great bodyguard." It was a novel answer. As far as I know, "mentor" has never been a synonym for stalker, but was usually applied to men like Lord Mountbatten and Sir Laurens van der Post, with reference to Prince Charles. Now, however, the popular meaning of the word is about to undergo a major modernisation.

Mentoring schemes are currently being set up all over the country. They work in various ways, but the basic principles are as follows. Young people who stop going to school, or leave school with no qualifications save a criminal record, usually have nothing to do. They have poor or non-existent relationships with people in authority — teachers, welfare officers, the police. Their relationships with their families are strained. They don't know how to set about getting a job or college place. They end up in the streets.

This, crudely, is a pattern of every investigation into truancy, exclusions, young offending and so forth. The basic narrative of solutions until recently, however, has been couched in the language of Michael Howard — of fast-track punishment and zero tolerance, of longer and sharper short sharp shocks.

Since 1994, a small community group in east London has been quietly experimenting with an alternative. The Dalston Youth Project provides mentors for young people who are either already, or soon likely to be, involved in the criminal justice system. A

mentor could be anyone — a barrister or an ex-robber — but for one year is the youth's confidant and friend; they go to McDonald's together, chat on the phone, make plans. By the end of the year, 70 per cent of the youngsters will have a job, college place or training course. At the outset, more than 80 per cent will have a criminal record; more than 60 per cent do not go on to re-offend.

The results are truly remarkable, so much so that on Tuesday the Home Office announced plans to support many more schemes. These are already cropping up in other cities, and appeals are being made for more mentors to come forward. In the rush of excitement for something which appears to actually work, it is important to examine exactly what the Dalston project has been successful.

An encounter with a mentor and mentee goes something like a modern urban fairy tale. Wayne explains that he left school last year but couldn't get a job, employers would look at a black Hackney teenager and think he was a nutter. Wayne really wants to be an actor, but everyone told him he was wasting his time. When his friend got referred to the authorities to the Dalston, he went along as well.

There, he was partnered with Valentine, who works for the Benefits Agency and had been troubled by the bleak lives of teenage claimants he'd met. He wanted to give African Caribbean kids a role model. Nine months on, Wayne has a college place to study performing arts, and plans to go on to university afterwards. What would he be doing now if he'd not had a mentor? "Probably just taking another year off," he thinks.

Wayne can't chat all day

because he has dress rehearsals. The play, he tells me, is set in the future, in this really strict society. People who break the law become outcasts, and get thrown into the forest. Wayne plays an outcast — but in the end he gets out of the forest, and back into society.

So there it is — a fairy tale ending complete with theatrical metaphor finale. There are two important points to note. The first is that the Dalston Youth Project is a truly inspired and inspiring scheme, a seminal example of what preventative, rather than punitive, strategies can achieve. After years of nasty and futile posturing about cracking down on young offenders, it is a joy to hear the Home Office endorsing the project. Like many who've previously wondered aloud if the Home Secretary had any idea why youngsters commit crime, I've been happily eating my words all week.

**T**HE second is a note of caution. The Dalston Youth Project isn't a magical fairy tale, nor as simple as it sounds, but is a painstakingly devised scheme crafted with money and time and care. Mentors aren't simply given a police check; they are interviewed extensively about their own experiences and expectations. Men cannot mentor girls; mentors cannot be reimbursed. The scheme includes an education programme which is formally accredited but informal in character. At the outset, the mentor is told nothing about the young person; it is for the two to make their own relationship. At the end of the year, contact must be scaled down to prevent dependency. Mentors must take a year's

break before taking on another.

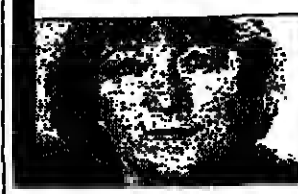
The project's reputation is now such that some youngsters are trying to get on to it by exaggerating previous misdemeanours and inventing anti-social habits. The directors are careful to screen out and "turn down" those they think will do fine without the project — but also those whose criminal career has taken them beyond the point where the project could help. It is a finely tuned operation, under constant assessment.

It is also expensive: £3,500 per youngster per year. Between £500 and £1,000 of that is spent on a residential activity course at the very beginning, where mentors and youngsters get to know each other. The course was the first thing both Wayne and Valentine mentioned, and it seems a few days of rock climbing and abseiling build the initial trust on which the whole scheme depends. Sometimes that trust doesn't come so soon, and sometimes it never does; a handful of youngsters will drop out during the year, and for others, the benefits of the project may not emerge until long after the year is over.

That more mentoring schemes should be set up as soon as possible is unarguable. If they are to work, however, they must be as rigorously thorough as the project in Dalston. Critically, the Home Office must hold its nerve; it cannot drop the educational programme, say, or decide the residential course is dispensable, when money runs short. Nor must its support fade when a project fails to deliver fairy tale results at once. Having given its blessing to a idea which we know can work, it would be criminal to allow it to fail.

## Hooray for Jack Straw

Polly Toynbee



**W**HEN politicians talk about "strengthening the family", liberals reach for their revolvers. Didn't MPs learn anything when the last government's back to basics humping collapsed in a joyously comic bedroom farce? Undaunted, Labour set up its ominously named Ministerial Group on the Family.

But they chose a good man for the job: someone brought up on a council estate by a single mother, himself divorced and whose own son has had a spot of trouble with the law. No danger there of sanctimonious lectures on marriage or blaming parents.

Why is a Home Secretary doing family stuff anyway? This is the first Home Secretary genuinely interested in the causes of crime, and that means reaching back to childhood. Suddenly Home Office officials are astounded to find themselves devising plans for babies. Imagine the culture shock of moving from Michael Howard's "prison works" to this. Straw is turning into the most remarkable Home Secretary.

What is a Labour "family" policy? Straw began not with morals but with money. Families that produce children who fall at school and turn to crime are mainly poor. This blindingly obvious fact the last government refused to admit, despite graphs across the Western world showing crime rising and falling with unemployment. They said it was a slur on the honest poor to link crime and poverty — and anyway there weren't really any poor. But money was Straw's starting point for family policy: increases in benefits.

"Family" for the Tories was code for anti-sex and moral control. For Labour it's a code for poor families failing to survive, a language for helping families without stigmatising them. "Family" and "parenting" sounds like everyone — but Labour really means "them", not "us".

**W**HAT has all the moral panic over the family been about? Rich divorce, single mothers, fatherless kids out of control, high crime, school failure, the "building blocks" of society crashing around our ears? Moralisers examine the poor where social calamities happen and find there a vision of a whole society in turmoil. Labour knows better. There is not much moral panic about the middle classes.

So the £540 million Sure Start programme means new family support for the poor, with well-liked health visitors taking the lead instead of

social workers, indelibly labelled as social police. They will draw struggling mothers into new family centres and groups where mothers help one another. At the tough end, there are parenting orders, forcing parents of persistent offenders to attend classes, but only to be used in extremis by the courts.

The whole idea of parenting classes is good material for comedians. Any attempt by governments to make couples marry and stay together is almost certainly doomed, and definitely doomed to mockery. But no politician can make a speech on "the family" without a slight nod in the direction of marriage-saving. While all his practical plans for social programmes are well-funded and will be well-monitored by the new Institute for the Family, his ideas on supporting marriage and making us all better parents were left vague.

So he floated the notion that registrars should be turned into civil vicars, offering pre-nuptial guidance. But the registrars are not at all keen. When I called the hon gen sec of the Society of Registration Officers she said blithely that their very important job is "the collection of vital statistics on which the government depends". As for counselling, she warned: "Couples come in here in the first flush of love. No one ever loved like them before and no one will ever love like them again. If I were to say to them, 'Are you really sure?' I'd probably get a punch on the nose." She might give them a leaflet, but doubted it would make a scrap of difference to the outcome of their marriage. Since fewer marry anyway, others wondered if pre-nuptial counselling would just put people off altogether.

The serious problem the Government has to solve by September is the chaos of the new divorce law. It requires

The whole idea of parenting classes is good material for comedians

"information meetings" for would-be divorcees, but the pilots have turned out, in the words of one Home Office source, "a disaster". They are supposed to perform the impossible double function of encouraging people to go for marriage guidance and at the same time tell them about how their property is to be divided. Pilots have only used volunteers but once it's compulsory, mayhem is predicted. So divorce law will come back to the Commons for yet another tempestuous reform. Then we shall hear the real family crusaders fall full blown.

As for Labour supporters who would be grumbling that Straw was as bad as Howard, they should be eating their hats. If they want any more reassurance, let them read yesterday's Telegraph leader: "At the Home Office, it is the anti-on-crime, liberal consensus that is back in charge." Hooray!

Gay may be furious at being overturned by the Lords. But it was the life peers who voted them down, not the hereditaries

## Medieval methods

Tony Benn

**A**NY suggestion that an appointed House of Lords made up of life peers — put there by the Prime Minister — would be more modern and progressive than the present House was badly shaken by the Lords vote against the equal treatment of homosexuals. For the life peers voted to defeat the Commons on this issue by 138 to 97, including 20 Labour life peers, all of whom, like the hereditaries, are completely unaccountable.

This gives added force to the bill and colleagues introduced to the Commons last week to establish a wholly elected revising second chamber.

Under its provisions a council of state would be elected, made up of councillors from every European constituency, as now con-

stituted, to replace the House of Lords, with no change at all in its powers.

All electors in each multi-member constituency would be able to vote for four candidates, two men and two women, giving an element of proportionality since candidates from different parties could be chosen. The European constituencies already exist, as do the laws governing elections to the House of Commons which would apply, and the bill has been introduced to dispose of the notion that it might be years before a proper reform of the House of Lords could be undertaken.

Although the bill will not be debated it puts down a marker. Government legislation, expected this autumn solely to remove hereditary peers, has a superficial appeal, since the idea of having our laws passed, or obstructed, by

those who have never been elected is completely unjustifiable.

But if the alternative is a wholly appointed House, all of whose members are the beneficiaries of prime ministerial patronage, we shall be landed with a House that is stuffed with unaccountable "royal" favourites.

Can't be rushed?  
Oliver Cromwell actually abolished the Lords in 1649

who have never been approved through the ballot box.

And the real extent of patronage will extend far beyond those who are actually chosen, since for every single new life peer will be a dozen who have tried to

please the Prime Minister of the day in the hope of preferment.

Once draped in ermine these new appointed Lords would be there for life, answerable to no one for their politics, prejudices, votes or even for their absence from the House, happily free, if they choose, to use their new titles primarily to advance their other professional or business interests.

Such a system is so fundamentally flawed that no serious democrat could contemplate adopting it, even as an interim measure until a proper scheme of reform was put forward.

The argument that we cannot rush such an important reform does not bear a moment's examination since Cromwell actually abolished the Lords in 1649 and Asquith presented his parliament bill before the first world war as merely

the first step towards a fully elected second chamber.

The truth, that no one dares to admit, is that the prime minister of the day, the most powerful person in Britain, desperately needs and is determined to retain the power of patronage which he or she acquires from the Crown, from whose royal prerogative of ennoblement it is derived.

That is why plans to modernise the monarchy have been put forward, since the prime minister desperately needs to make the Crown more popular so that he, or she, can continue to use the immense power it already confers on No 10 Downing Street to appoint judges, bishops, cabinet ministers, European commissioners and life peers, or make laws in the European Union by using the prerogative of treaty-making. In addition,



we are seeing far greater centralised control over the choice of Labour candidates for the European and Scottish parliaments, the Welsh assembly, the mayor of London and next the House of Commons itself.

Or, to put it plainly, democracy is still detested by those in power as it always has been throughout our history, and the idea of having a second chamber elected on the universal franchise is as unwelcome as was the proposal to use that system for the House of Commons.

The parliamentary reform bill provides a simple and practical alternative for those who see patronage as the enemy of democracy, and fear we are returning to medieval methods in the name of modernisation.

Tony Benn is Labour MP for Chesterfield



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ray for  
Straw

## Boosting the family

But welfare is vital too

NEW Labour's ministerial group on the family has still to unveil its modern family policy on which it has been working for months, but Jack Straw, its chairman, gave us a first look yesterday in a major address. It was a skillful performance across a political quagmire which has sunk several predecessors. The pitfalls are multiple but he sensibly avoided the itch to moralise, the temptation to preach, or the danger of using family policy as a covert way of introducing more social control. Family policy should involve all families. And so should parent education. As Mia Kellmer Pringle, a distinguished former director of the National Children Bureau, wryly noted: just because we have once been children does not mean we know how to bring children up.

Should a government tell parents how to bring up their children? Of course not. Governments are no wiser than parents. But should they ensure there is advice and support for those who need it? Absolutely. As Jack Straw noted, families are private institutions but private institutions which have public effects. Our children are the next generation. How they grow up will decide society's future. "We are not in the business of telling people how to lead their lives... (but) families need government policies that nurture them rather than damage them by neglect and carelessness."

So what route are ministers intending to follow? There is a three-pronged approach: more advice; more support; and more atten-

tion to ensure government policies do not conflict or contradict each other. There is a thirst for advice. All manner of networks, advice lines, and family centres have sprung up in the last decade. There will now be more government support for such initiatives. Parentline, which handles thousands of calls a year from anxious, frightened or angry parents through teams of trained volunteers, will get a £1 million grant. Other voluntary organisations like Parents Network which has 250 co-ordinators running 2,000 parent education courses, Newpin which runs centres for isolated women and their children, or Home Start which has 200 autonomous home visiting schemes will share another £2 million. But these organisations only reach about four in 100 parents in a decade.

Much more support will now come through state services by widening the role of health visitors to include older children and the launch of the £540 million Sure Start scheme, designed to fill the many gaps in voluntary and statutory services for pre-school children. Every mother in a Sure Start area will receive a visit from an outreach worker to see what help or support can be provided. Ministers deserve praise for pursuing such a long-term objective. Social scientists have shown how crucial the first three years of life are. More investment at this age will generate huge savings in terms of reduced crime, improved educational achievement and more socially aware people.

The third strand involves a new National Family and Parents Institution to act as an independent monitor of government policies. There are other goodies including the promotion of Michael Young's secular baby-naming ceremonies to strengthen family bonds, an expanded role for registrars, the extension of parental rights to unmarried

fathers who sign jointly registered birth certificates, and a promise of more support for mediation to reduce the conflict between separating parents. It is a good start, particularly when new childcare places, new tax credits for poor working families and increased child benefits are included. There are many details still needed and one big unresolved policy: welfare reform. For millions of children in poor homes that still remains the most crucial of all.

## Turbulent Lords

They'll get their come-uppance

FOR an institution meant to be on its last legs, the House of Lords has a knack for making news. If it's not rows about Labour's plans for reform of the upper chamber, it's controversy over the choice of new peers to sit in it. The Lords have staged no fewer than 31 rebellions since Labour took office. Earlier this month the Lords forced a climbdown on tuition fees, but this week they have proved their most meddlesome — rejecting the Crime and Disorder Bill because of an amendment reducing the age of consent for homosexuals to 16.

For progressives, this is not as clear-cut a dilemma as it looks. All egalitarians are anxious that sexual rights be the same for everyone, straight or gay. Indeed, this newspaper was an early champion of a reduction in the gay age of consent for that reason: anything less is discrimination, plain and simple. The notion of that move toward equality being held up by a body which is itself such a symbol of inequality — the unelected House of Lords — only adds to the dismay at Wednesday's vote.

But there are a couple of complications. For one thing, it's hard to cast the Com-

mons-Lords clash as a battle of the people's will versus an undemocratic relic: in this case, polls suggest it is the peers who are more in tune with majority opinion. One headline yesterday applauded the Lords for "speaking for the people". Nor are those who demand that the upper house and its objections simply be steamrollered out of the way wholly consistent. When the Conservatives were in government, these same critics often welcomed the Lords' obstinacy as a brake on the overmighty executive. Now Labour is being restrained — on an issue dear to progressives — they have lost their enthusiasm. But if the principle of checks and balances is sound, it must be sound always — even when it produces an unwanted outcome.

So what next? The Government does not want to lose its key crime bill, and parliamentary procedure allows it no way of forcing the legislation on a reluctant upper house. Labour's best move may well be to drop the sensitive amendment, pass the crime bill next week, and then reintroduce a specific sexual rights bill with Government blessing in the next session — launching it in the Commons, so that the Lords cannot block it indefinitely. Then Labour can get on with the urgent task of reforming the second chamber so it can act as a genuine balance to the Commons, but with the one feature it now lacks: democratic legitimacy.

## Unclean claims

Nothing ever comes for free

IT MAY ONE day be safe to go back in the water following yesterday's decision by European environment ministers. The dangers to which they have drawn our attention are much less visible than sewage and algae.

Not one person in a hundred thousand will have heard of the radioactive technetium-99: yet British Nuclear Fuels will need to spend millions of pounds in the next two years just to reduce — let alone eliminate — this single emission. Britain will bear most of the burden for curbing radioactive discharges in the north-east Atlantic. But then 90 per cent of all such discharges come from our reprocessing plants at Sellafield and Dounreay and the French one at La Hague. Yesterday's decision at Sintra to reduce radioactive waste discharge to "close to zero" by 2020 will have a considerable knock-on effect on the Thorp reprocessing plant and on a long list of nuclear power stations. If the profit-and-loss account of Britain's now defunct coal industry were done again, might it not come out very differently?

The agreement on radiation discharge still stops short of a complete zero option: the nuclear companies have been successful in claiming this would put them out of business and unable to complete the clean-up. The oil companies have also managed to shade slightly the decision to ban the sinking of oil rigs offshore. But the majority will now be disposed of on land at a high cost to the companies — for which the consumer will no doubt pay. Here is one election pledge — no more Brent Spars for Labour — which will be delivered. It will also, as John Prescott pointed out, create thousands of new jobs.

It is cheering to see Britain begin to discard the tag of Dirty Man of Europe, and to hear Greenpeace's positive verdict on the Sintra decisions. All that is needed now is for the energy industries to reflect on the moral. Once again, as the bill is presented, we should be reminded that no energy source is ever as clean as the claims made for it, and that nothing comes for free.

## Letters to the Editor

### The Lords have finally lost it ...

A SA gay man who has been heavily involved in campaigning for Private Member's Bills, your report that Jack Straw may postpone lowering the age of consent in order that it can be introduced as a Private Member's Bill next year fills me with dread (Crisis as Lords veto gay law, July 23).

In case Jack Straw hasn't noticed, the entire Private Member's procedure has been hijacked this year by a bunch of out-of-control right wing MPs. Early in July they blocked bills on firework safety, full pants, puppy farming, energy efficiency and local authority tendering.

And I am not reassured by the fact that William Hague supports lowering the age of consent. The Conservative leadership supported most, if not all, of the above bills — but proved powerless to prevent ex-ministers such as Eric Forth, David Maclean and Edward Leigh wrecking them.

The chances of an Age of Consent bill getting through this lot are slim to say the least. To ensure it gets through, the Bill needs Government backing, and the Government should give it that now. Is it impossible to sit an extra day, rather than go on holiday from July 31 to mid October?

Name and address supplied.

WHEN I WAS 16 I was seduced by a 22-year-old. I was far too immature for a relationship, and things ended rather messily. If only Baroness Young and chums had been around to protect me. Well, actually, no.

Nine years on I am resolutely unromanticised, and the Baroness wouldn't have been interested in "saving" me from my 22-year-old who was female. The fact is, teenagers make mistakes, and we owe all of them the right to do so from a position of equality. Jonathan Taylor, London.

It is clear from the House of Lords debate that reliance upon Christian teaching was a deciding factor for many in opposing the reduction on "moral grounds", and therein lies the paradox.

If, within the United Kingdom, we enjoy freedom of religious belief, then why not freedom with regard to morality?

As Lord Devlin observed: "A state which refuses to enforce Christian beliefs has lost the right to enforce Christian morals."

"If this view is sound, it means that the criminal law cannot justify any of its provisions by reference to the moral law."

Robert Goddard, Sturminster Newton, Dorset.

It is also aware that better laws do not change hearts but they can improve the climate even more.

Of course we are all concerned about the misuse of power, especially in the relationships of adults with children. The law should be put into practice more consistently, so that the invasion of one person by another, whether that be rape or unwanted advances, be clearly dealt with, whatever the age and gender of the persons concerned.

What bishops can do is to be good law keepers and law reformers, to keep the boundaries fairly, to restrain the bullies, the prejudiced, and the wilfully ignorant. It seems wholly ignorant not to have found out why every other country to the European Union has chosen to equalise the age of consent.

Rev Jim Cotter, Sheffield.



### Julian Lewis bounces back

FRANCIS Wheen fails to make clear (Reinvention of Julian Lewis, July 23) that there is no comparison between the defamation of me by Scallywag magazine and my criticisms of Helena Kennedy's far-left past — based on previously published material.

Involvement with the acknowledged Soviet front, the International Association of Democratic Lawyers, is more indicative of support for Moscow in the cold war than formal membership of the British Communist Party.

There is no secret about my counter-infiltration of the Labour Party between 1976 and 1978 — in response to the infiltration by the Revolutionary Socialist League, posing as the Militant Tendency.

As for the attempt to link the funding of the Coalition for Peace for Security with US intelligence via Brian Crozier's memoirs, Mr Wheen overlooks Mr Crozier's letter in The Guardian on August 24, 1993, which stated that the money he received from such sources was used to assist groups outside the UK.

Dr Julian Lewis MP, House of Commons.

### Peter Carter-Ruck on the injustice of appeal costs

THE result of the successful appeal by The Sun in Bill Roache's libel action demonstrates once again the injustice of imposing on litigants the costs of an appeal. If an appeal is successful, it means that there has been either a misdirection or an erroneous exercise of discretion by the judge, a perverse verdict by the jury or an erroneous decision on a point of law — none of which is the fault of the litigant — and it is unjust that a litigant in such circumstances should have to bear the additional costs, usually awarded against the loser of the appeal.

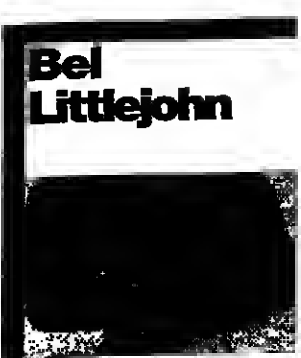
Roache was awarded, by way of damages, the amount paid into court and was awarded an injunction — resisted by the defendants — and was awarded costs, so the result was wholly in his favour and the action proved to be justified. Through no fault of his, the decision on costs was reversed on appeal and he has been left without the redress he deserved.

In 1969, Justice proposed that a Sui Generis Fund be introduced to underwrite the costs of appeals and that the funds to sustain this should be raised by increased court fees, thus alleviating the burden on litigants of appeals. Such a fund was introduced many years ago in Australasia and supported by me as a former Chairman of the Law Reform Committee of the Law Society.

If its introduction were coupled with Lord Donaldson's recommendation when he was Master of the Rolls, that leave to appeal should have to be obtained in a civil action, it would also have the result of eliminating unmeritorious appeals, when notice is given for tactical reasons only — a fairly frequent occurrence — and would cut waiting lists at the already considerably overworked Court of Appeal.

Peter F Carter-Ruck, London.

## Oh, we stars!



ET'S get hip, gang! Yup, it's that time again. Have you voted yet? Well, have you? For most of the year, I turn my mind to in-depth thoughts about politics, literature, world affairs, the arts. But once a year, just to show I can still boogie with the best of 'em and attract a great, young, hip, modern reader, I turn my hand to what is now widely acknowledged to be the hippest-hoppes-

ping in the whole world. You've already guessed what I'm on about. Yup, it's time for the annual BEL Style Awards, your chance to decide on the most stylish people in the stratosphere, from top-rated pop stars like Phil Collins and Chris de Burgh to political megastars like Jack Straw, high up there with totally brilliantissimo economic hofness like the smashing Ed Balls, adviser to last year's winner Gordon Brown, all the way through to award-winning Guardian columnist like... well, let's just say I wouldn't want to influence you in any way, okay?

MALE TV STAR: It's been a truly great year for Michael Meacher. Seen live on television in the Countryside Rally, looking suitably stylish in a brown check shirt, he captured the heart of a nation with his easy-going banter and razor-sharp repartee — one to watch! Or, hey, how-

about the great Melvyn Bragg, who has read so many books one wonders how he finds the time to appear live on television as straight man to great new, young, modern acts like The See Gess. Or there's the top TV funnyman Michael Palin, a great traveller and a genuinely nice guy, and let's not forget Phil Collins — still crazy after all these years!

FEMALE TV STAR: It's been a knockout year for Janet Street-Porter, walking around Britain and filling us all full of mega-interesting facts about herself. For instance, did you know she's always been totally mad on the Quantocks? Nor me! Also in the running? The lovely Harriet Harman, of course, and Margaret Beckett, whose appearance at the Cambridge Folk Festival singing Leonard Cohen songs literally set the place alight!

BEST FASHION DESIGNER: Yes, there's been a whole-

lotsa-designin' goin' on — to misquote the words of the late, great Chuck Berry! Vivienne Westwood has once again put the Cool into Britannia, and Jesse Mykals has proved that you can be foreign and still stylish! And don't forget Phil Collins — he might not design clothes, but he sure can wear 'em!

MOST STYLISH BEARD: Last year it was top Foreign Office style-guru Robin Cook, but will he win again this year? It's up to you, gang, but it's no secret — he'll be facing stiff competition from education supremo, David Blunkett, whose facial hair has frankly never looked better. Not to mention top screen actor Sean "Goodfellas" Connery, Phil "Uptown Girl" Collins and the great George "Lady in Red" Michael who this year proved that you can break all the rules and still be super-stylish.

Last year's winner, dinky Alistair Darling has recently

put himself out of the running. But don't worry Alistair, you'd win our Clean-Shaven Hunk of the Year any day of the week!

MOST STYLISH MALE POP STAR: It's literally gotta be Robbie Williams, who's turned a truly fabulous way of jiggling up and down out of time with the music into one of the great style statements of recent years. Or is there "something in the air tonight" for the ever-inventive Phil Collins? To my mind it's literally gotta be the amazing Liam Gallagher, that one from The Verve! But it's up to you!

BEL STYLE ICON: It's been a great first year in office for Mr Cool Britannia himself, Tony Blair, and we adore the way he pauses so super-sexy in the middle of all those moving tributes as if to say, "Hey, I'm Prime Minister! Can you believe it? Ma neitherr!" But let's on no account for-

get style-guru Phil Collins, Mr Millennium Peter Mandelson, or the fabulous Zoe Ball, who this year has proved beyond doubt that she can drain a can of continental lager and still find time to introduce the next record!

MOST STYLISH SECRETARY OF STATE FOR TRANSPORT: This year, it just has to be the rily-poly John Prescott, great in double-breasted suits, and with a cheeky little smile to match! Or could it be the immortal Phil Collins — maybe not exactly a Secretary of State for Transport but one helluva fabby singer!

I've made my suggestions, now it's up to you! Once again this column has proved it has its finger on the thumb of contemporary trends — accessible to young and old alike! Groovy!

Next week: The survival of the few within the wider constraints of a global economy.

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Robert Young

# Tall, dark and lucky

**A** CRITIC once described Robert Young, who has died aged 91, as "winningly innocuous", and another called him "eternally ingratiating". The softly-spoken, easy-going actor generated twinkly-eyed charm and a light comic touch in most of the more than 100 films he made. He just wore his dimpled smile and got on with it, putting his well-tailored arms around the likes of Joan Crawford, Lana Turner, Loretta Young, Betty Grable and Barbara Stanwyck.

Although falling into the tall, dark and handsome category, he was never considered a heart-throb like his contemporaries Clark Gable, Robert Taylor and James Stewart. He was usually a sophisticated post on which screen sex goddesses could sharpen their wits. "I was the nice jerk, the square in practically every movie I made," he explained. "There was a time when I thought I would soon be sleeping in a dinner jacket, judging from the type of roles I was playing."

After virtually retiring from the cinema in his early forties, Young was to have an equally popular career on American television. He added paternal gentility in *Father Knows Best*, which ran from 1949 on radio — his career in that medium had begun in 1936 — and from 1954 to 1963 on television. It made him a multi-millionaire. Then came *Marcus Welby MD*, which was networked from 1969 until 1976.

Young was born in Chicago, the son of a building contractor, but the family moved to California and he was educated at Lincoln High School, Los Angeles. Spotted by a Metro-Goldwyn-Mayer scout in 1931, while touring with a theatre company, his first

film was *The Black Camel* in 1933, he married Betty, his childhood sweetheart, with whom he had four daughters, who in turn gave him five grandchildren. He seemed to personify the title of one of his films, *Those Endearing Young Charms* (1946). End of story.

But there was more to Robert Young than met the eye, both on screen and off. Alfred Hitchcock gave him his first real opportunity to reveal nastiness beneath the niceness in *The Secret Agent* (1936), based on Somerset Maugham's *Ashenden* stories. Playing a loquacious American wooing Madeleine Carroll in San Moritz, Young turns out to be an enemy spy. The original script had Peter Lorre shoot Young, but fearing negative reaction from American audiences if the Hollywood star was murdered, the producers requested he die in a train crash.

Young's appearance in three films directed by Frank Borzage further increased his range. All of them starred Margaret Sullivan, who rarely lived through a movie. *Three Comrades* (1938), the only picture on which Scott Fitzgerald received a screen-writing credit, had Young as a hotheaded ex-soldier killed in a political riot in post-war Germany.

In *The Shining Hour* (also 1938), he was the well-to-do conservative who cheats on his wife (Sullivan) with his brother's spouse (Joan Crawford), and crumbles under the guilt he feels. *The Mortal Storm* (1940), the film that caused Hitler to ban all MGM pictures in Germany, saw Young, playing more than ever against type, as Fritz, a fanatical Nazi, who shoots the hapless Sullivan at the end.

Perhaps the most rewarding role of Young's career was



Young... 'I was the nice jerk, the square in practically every movie I made'

in King Vidor's *H.M. Pulham Esq* (1941), as the stuffy, Boston blue-blood businessman torn between home and an affair with Reddy Lamarr. Vidor referred to Young as "a director's dream, thoroughly prepared for every scene he works in, with a maximum of enthusiasm and intelligence." Vidor had earlier given Young one of his few action roles in *Northwest Passage* (1940), clad in buckskins fighting Red Indians in the 1759 frontier wars, with hardly a woman in sight.

In *The Enchanted Cottage* (1945), based on the Pinero play, Young underplayed to perfection an embittered, disfigured first world war veteran obsessed with suicide, until he marries a plain girl (Dorothy McGuire) and moves into a cottage, where he regains his handsomeness and she becomes beautiful. He was equally effective as the weak-willed, Italy-based

American diplomat happy to appease the fascists in Lillian Hellman's *The Searching Wind* (1946). He was given another meaty role in Edward Dmytryk's *Crossfire* (1947) as a weary, pipe-smoking police captain on the trail of anti-semitic killer Robert Ryan. At the climax, he delivers a stirring sermon on bigotry with quiet dignity.

During his life, Young struggled against and overcame alcoholism and severe depression. "I was a major film star in the 1930s and 1940s but I wasn't happy for one minute of those years," he claimed. "I was a mess. Looking back I realise I was full of terror most of the time. I was an introvert in an extrovert profession."

In 1966, he suffered a nervous breakdown. After he left hospital, he and his wife spent four years at their ranch outside Los Angeles. His condition improved dra-

matically. "I didn't think I could have made it without Betty. I believe that despair could have caught up with me." He returned to the public eye again, now silver-haired but as twinkly as ever, dispensing common sense weekly as *Marcus Welby MD*. He continued to work on TV into the 1980s, his best role being that of a man who kills his wife, who is suffering from Alzheimer's disease, in *Mercy or Murder*.

Early in 1991, taking their cue from the latter film, Robert Young and his wife attempted a double suicide after being informed that he was dying of cancer. Happily he survived another seven years among his loving family. He is survived by his four daughters and six grandchildren.

**Ronald Bergan**

Robert Young, actor, born Feb 22, 1907; died July 21, 1998

Rachel Rosser

# Healing the stress of broken lives

**T**HE DAY after the King's Cross fire in 1987, the psychiatrist Rachel Rosser, who has died aged 56 following an

accident at home, visited every ward and unit involved in the disaster. It was not just the survivors who were the focus of her concern, but ambulance workers, nurses, mortuary attendants, students — anyone, in fact, who had been part of the tragedy.

Her prediction, initially greeted with some scepticism, was that traumatic psychological reactions would be a major feature of post-incident recovery. The prediction was to be amply validated, and her many television appearances helped establish post-traumatic stress disorder in the public mind. She formed a team that combined treatment with research into the effectiveness of that treatment, a move that culminated in the opening of a traumatic stress clinic at the Maudsley Hospital.

Rosser believed in her patients. She was fascinated by each development in their recovery, often visiting team members to discuss what had happened in a treatment session, and making new hypotheses to be tested and refined next time. Many patients maintained contact with her for years afterwards.

Rosser was the emerita professor of psychiatry at University College London Medical School. She had built her department into one of the largest in the country and her situation reports to her colleagues were tours de force — like listening to a war

report. By the time she left, the department had gained three chairs, doubled in size, and achieved notable increases in grant income, publications and social impact.

Rosser was born into great poverty in Coventry during the Blitz. She won a scholarship to King's High School, Warwick, and thence to Newnham College, Cambridge. She qualified as a doctor at St Thomas's Hospital, London. Rapid promotions took her to Guy's Hospital, the Maudsley — where she entered psychiatry — King's College, Charing Cross, and finally to a chair in psychiatry at UCL/Middlesex.

She always took a broad approach, and included psychotherapy, a personal analysis and pharmacology among her interests. Her research included work on the evaluation of psychotherapy, psychosomatic aspects of renal disease, cause of breathlessness, the psychopharmacology of lithium and tricyclic anti-depressants, and, finally,

the treatment of post-traumatic stress disorders. She contributed significantly during three decades to the discipline of health economics and quality of life assessments. Her 1974 review paper — with Warren Kingston — on responses to disasters was a classic, written 14 years before her King's Cross investigations.

Intense, driven to achieve the highest standards of research and patient care, Rachel had the tenacity to build her department and research programmes. She was anxious that each research protocol should incorporate the best methodologies, and be concerned about the progress of each patient.

To meet her was to be in the presence of a dynamic spirit. She was a stylish dresser, a lively talker, drove a Porsche, and was always metaphorically in high gear, striving to succeed against self-imposed high standards. She never really understood the notion of cruising at slightly lower

revels. After taking early retirement last year, Rachel continued her investigations of post-trauma responses by looking at the influence of religion and spirituality on the long-term healing process. She is survived by her husband, Vincent Watts, vice-chancellor of the University of East Anglia, and two children, Ben and Hannah.

**James Thompson**

Rosser... dynamic spirit

Rosser... dynamic spirit

Rosser... dynamic spirit

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Renato Capecchi

# Thoughts on opera

**I**N 1977, the Italian baritone Renato Capecchi, who has died aged 74, was summoned to Glyndebourne to play the title role in Verdi's *Falstaff*. It was a ripe and minutely observed portrayal that won him many friends. He combined the fat knight's naïveté cunning with the command of a fully trained singer.

He had many friends, the role that he played in the role of *Falstaff*. Indeed, in all these roles, he sang off the text in the classic Italian manner, now an almost lost cause.

One of the most versatile baritones on the opera stage during a career lasting some 40 years — his repertoire included some 100 roles — Capecchi was most famed for his portrayals of buffo characters, most notably Fra Melitone, the comic monk in Verdi's *La forza del destino*. However, he had at the beginning of his career taken many of the major serious roles in Italian opera. He also took part in the premieres of many works by modern Italian composers, which displayed his outstand-

ing qualities as a singer who thought as much as he sang. Born of Italian parents in Cairo, Capecchi studied violin before being drafted into the Italian army during the second world war. At its close, he decided to switch to singing and went to study in Milan, making his debut on radio in 1946. His operatic debut took place the following year in no lesser role than Amonasro, in *Aida* at Reggio Emilia, no mean assignment for a young baritone.

The same year Capecchi made the first of many appearances at the Aix-en-Provence Festival, singing Don Giovanni, a debonair, dangerous assumption suavity and naturally sung. At Aix he was also a lovely Guglielmo in *Così fan tutte* and an entertaining Dr Bartolo in *Il barbiere di Siviglia*, another part for which he was to become renowned.

At La Scala, after appearances in new operas, he was assigned Ford in *Falstaff* and Melitone — and Kyoto in *Iris*, one of the few villains he

undertook. Another, in the 1950s, was Iago, a reading preserved on a film of the opera, catching Capecchi as a highly plausible interpreter of the evil ancient as conceived by Verdi. He first sang at the Metropolitan, New York, as Germont in 1951 (returning as Rossini's Figaro in 1954), but his Covent Garden debut did not take place until 1962, in Sam Wanamaker's ill-fated staging of *Forza*; he returned to the House in the same role in 1973.

On records, apart from his classic Melitone, Capecchi can be heard as a sinister Rigoletto, a rascally Gianni Schicchi in Puccini's opera, a highly amusing Dr Dulcamara (*L'elisir d'amore*) and a racy Dandini in Rossini's *La Cenerentola*. He was one of the most accomplished singing actors of his era.

**Alan Blyth**

Renato Capecchi, operatic singer, born November 6, 1923; died June 30, 1998

Yves Le Tac

# Brothers in the fight for France

**T**HERE were two brothers named Le Tac, both of whom were heroes of *France Libre* and the Resistance; Yves, who was the older and who has just died aged 90, and Joël. They both joined General de Gaulle in London in the autumn of 1940, and went into military training in Hertfordshire, and in the years of their resistance activities it was sometimes difficult to distinguish one brother from the other.

They established communications between England and

France, both by radio and motor-torpedo boat, and organised sabotage of German movements and installations. Difficulties arose from the rivalry between the Special Operation Executive, which Churchill created in July 1940, and the Special Intelligence Organisation, which was created by Colonel Passy, at Gaullist headquarters in London. De Gaulle was particularly sensitive to his officers being under British orders, and a complication arose when British or French agents made contact with

French army officers, who were both anti-German and anti-de Gaulle.

Thus Yves Le Tac had to operate with great care. In October 1941, passing through l'Aber-Vrache in north-west Brittany, the brothers set up the Overcloud operation, which established liaison with Britain through motor boats and made contact with two key resistance groups. The railway workers, "la bête noire", sabotaged and transmitted information on German troop movements. And there was also a lively group

of students in Rennes, who had been the German newsreels when they were shown in cinemas and who circulated an illegal newspaper, *La Bretagne Enchaînée*.

Yves Le Tac was particularly active in using the students for propaganda. He was an accomplished violinist, who had easy access to their meetings. In December 1941, the brothers brought to London both a spokesman for the BBC (Paulin Bertrand) and representatives of a small group from Jeune République, a Parisian organisation. When they returned to France in February 1942, they were arrested — and Overcloud destroyed by the Germans.

Yves was sent to a camp at Struthof, in lower Rhineland. There, he fell victim to typhus and was sent on to Dachau. Liberated in 1945, but unwell for a long time, he attacked himself to the liberal wing of various Gaullist groupings.

With many former members of the Resistance he believed that the Algerian crisis could only be overcome by the return to power of de Gaulle, and in 1956 he went to Algiers to preside over an association calling for just that. He strongly opposed the extremists among the settlers, and protested against the use of torture by General Massu's special units. He was viewed with hostility by those in Al-

giers who believed that Massu would fight the nationalists and make Algeria French for all time.

Thus it was that when army officers attempted to seize power in Algiers, and after their defeat, organised a secret army, the Organisation Armée Secrétaire (OAS), Yves Le Tac was targeted. He was the victim of a plastic bomb in Algiers, and when transferred to a Paris hospital, he was attacked by the OAS and very nearly died. It was one of the commanders of the OAS, Colonel Godard, who had personally ordered that he should be killed.

After these adventures, Le Tac attempted unsuccessfully to be elected to the French National Assembly. During the 1970s, as a left-wing Gaullist, he backed Chaban-Delmas as presidential candidate in 1974 and opposed Jacques Chirac. He was associated with Serge Trosier, the Président du Conseil National des Femmes Françaises, and became Président de l'Association de la Ligue pour la dignité de l'enfant.

He had many decorations, including those of Compagnon de la Libération, and Grand Officer de la Légion d'Honneur.

**Douglas Johnson**

Yves Le Tac, Resistance hero, born 1908; died July 6, 1998



War heroes... Yves Le Tac (right) with his brother Joël (left)

A Country Diary

**HORSFORD WOODS, NORFOLK:** The silver-studded blue is a gorgeous little butterfly and a star attraction at this heathland plantation just north of Norwich. The male's upper wing is a rich blue, crisply bordered in black and white, but the insect is perhaps even more attractive when the wings close, revealing an under-surface elaborately spotted with black and orange. The species is now restricted to a few scattered sites in Wales and southern England.

What will be very familiar is the depressing tale of steady decline this century as its heathland habitat has been destroyed. The precise mechanics of this slump were a mystery until lepidopterists in

North Wales and Suffolk unearthed an uncanny and enduring relationship between silver-studded blues and ants — and their critical services in the butterfly's life-cycle — that largely determine the silver-studded blue's own distribution.

Once this essential interdependence was appreciated, environmentalists created heathland conditions perfect for black ants, then translocated silver-studded blues into these sites. So far the results have been impressive. An introduction initiated 11 years ago by the Suffolk Wildlife Trust at Westleton Heath has been remarkably successful and resulted in the largest silver-studded blue colony in that county.

**MARK COCKER**

CORRECTIONS AND CLARIFICATIONS

**IN A** news brief headed, "Young wins BBC job, page 7, yesterday, we described Baroness Young of Old Scone as chief executive of the Royal Society for the Protection of Birds. In fact, she left that post early this year and is now chairman (sic) of English Nature, the Government's nature conservation agency in England.

**IN OUR** report, Britain's plan to kill Hitler revealed, page 5, July 31, we used the spelling of Berchtesgaden found in the documents on which the story was based. The modern correct spelling is Berchtesgaden.

**A NOTE** in the working week column in Jobs & Money,

page 18, July 11, said, "To address the dearth of trained financial graduates, Warwick Business School is launching a one-year MSc programme in mathematics" (to begin in the autumn). We should have said an MSc programme in financial mathematics. [www.wbs.warwick.ac.uk](http://www.wbs.warwick.ac.uk)

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مكتبة الجليل



Settlement belies statement in Kingston Communications' annual report

# Phone chief's secret pay-off

Julia Finch

**T**HE battle for control of Hull's council-owned Kingston Communications telephone company has moved into controversial territory with the revelation that the firm's former chief executive, William Aylward, received a substantial cash payment after his abrupt departure. This is even though KC's annual report states categorically that he left without any compensation for loss of office.

Mr Aylward, who is now working as a consultant to the US-based Landtel company which is bidding for Kingston, was forced to resign as chief executive of KC, a £200,000-a-year post he had held for just eight months, after allegations of expense irregularities. He left the company last summer.

Kingston's recent report to shareholders makes no mention of the reason for his departure but states categorically that Mr Aylward received no compensation pay-off. However, under a confidential agreement between the two parties, he was paid up to £25,000. He was also given a glowing reference.

The details of Mr Aylward's departure are bound to embarrass the Labour-controlled Hull City Council. Sources close to Mr Aylward insist he was the victim of a council-inspired campaign to remove him after he clashed with council leader Pat Doyle.

The Aylward affair could also be extremely damaging should KC decide to attempt a stock market flotation. The company has hired investment bank Flemings to advise on options for raising investment funds and flotation is under active consideration. Mr Aylward's reference,

William has exemplary interpersonal skills and is able to lead and motivate a management team with vision and determination. He empowered and encouraged management instilling confidence and vision at all levels.

Having achieved a high standard of Group companies and established a future strategy within a matter of months William demonstrated an extraordinary hard working ability to remove and re-direct businesses in difficulty. After nearly twelve months contribution to the future development of Kingston Communications, and with the Group set firmly on a new course, William left the Company to continue his career.

John P. C. Bailey  
Company Secretary

Company secretary John Bailey wrote Mr Aylward a glowing reference

written by company secretary John Bailey, states: "His particularly notable strengths are an ability to establish effective relationships at all levels, to engender immediate respect and credibility and to re-focus and motivate demoralised management." It adds that Mr Aylward showed "an extraordinary hard-working

parture as "a fairly sensitive matter".

He said Mr Aylward may have received cash for "holiday entitlement, accrued salary and pension entitlements, but that does not amount to compensation". He denied that it had totalled some £25,000. "He didn't get anything like that but I can understand how that was arrived at," he said.

Mr Bailey explained: "We said we would not reveal any details. I, at least, feel morally obliged to stick by that agreement." Asked if Mr Aylward had been sacked for misconduct, he said: "The arrangement was that he resigned."

Since his departure, Mr Aylward has been hired by New York-based telecoms businessman Laurence Zimberman, who has offered Hull City Council £245 million for 49 per cent of the City's unique municipally-owned telephone company.

## Insurance chat under scrutiny

Julia Finch

**T**HE Financial Services Authority, has put the brakes on plans by Legal & General to develop a "chat-line" on the Internet.

The company wants to develop a way for customers to type in queries about products and engage in "conversation" over the Internet with the insurer.

But the idea raises questions about whether the conversation constitutes "advice". A financial adviser has to be qualified and is subject to light regulation. Legal & General is working with the regulator to establish ways to overcome any concerns.

The company, which already uses the Internet, is looking at several new ways to distribute its products. It revealed yesterday that it intends to more than double the number of employees in its four call centres by the end of next year to 2,500.

L&G, which yesterday announced operating pre-tax profits up by 20.6 per cent to £187 million, has call centres in Kingswood (Surrey), Hove, Birmingham and Cardiff.

By the end of this year it expects to double the 300 employees based in Cardiff and hopes to rapidly increase the number in its Birmingham operation where 150 people are employed. This year L&G closed its general insurance call centre in Dudley, West Midlands, and transferred the positions to the new operation in Birmingham.

L&G said sales by its direct sales force are doubling annually and accounted for 22 per

cent of total sales in the first half.

The expansion of the call centres is a result of the change in the way its business is being transacted. The centres in Cardiff and Birmingham handle calls about its newer businesses such as banking, PEPs and health care, which made a loss last year, while Hove and Kingswood deal with older business such as pensions and life assurance.

It also emerged yesterday that Legal & General, which has a five per cent share of the pensions market, has put aside approximately £600 million to cover the cost of the pensions mis-selling fiasco. It has been coy about the cost and would not confirm this figure yesterday. The scandal has cost its largest rival Prudential £1.1 billion and it has been estimated that the entire industry will pick up a bill of £1.1 billion.

Legal & General's profit figures topped City estimates and analysts said there were indications that it had stolen business from its rivals.

Of the total profit figure, £168 million was contributed by the UK businesses and £19 million from overseas.

Legal & General said it took on a "remarkable" £5.1 billion of new pension fund assets, more than double the figure during the same period last year.

It has spent more than £30 million on preparations for the year 2000 computer problem but expects to spend three times this figure once the euro, Europe's single currency, is introduced.

Its shares rose 3.5 per cent to 742.5p yesterday.

## Profit from sport



Going for broke... Young David Whelan (above) broke his leg in the 1960 Cup Final and set up a market stall. Today (below), he and his family are worth more than a quarter of a billion pounds PHOTOGRAPHS: HILTON DEUTSCH and ASHLEY ASHWOOD

## Market traders on way to a billion

Julia Finch

reports on a coming together of two sports shop chains

**T**WO former market traders with combined personal fortunes of more than half a billion pounds have signed a deal to stitch together their two sports shop empires.

Tom Hunter, a 57-year-old who once sold shoes on Scottish stalls, is to bank £250 million in cash and shares after agreeing to sell his Sports Division store chain to rival JJB Sports, founded and still run by David Whelan, 61, once a purveyor of toiletries on a Wigan market.

Sports Division, with 263 stores, is the UK's biggest sports retailer and the new, enlarged, JJB - the more profitable of the two firms - will have 16 per cent of the £2.7 billion sports goods market. Together they will have more than 470 stores and are promising another 26 outlets by the end of the year.

The link-up, which will see Tom Hunter installed as deputy chairman of the new group, comes as sports retailers are experiencing a downturn in spending and tough new competition from supermarkets such as Tesco. City analysts have long been predicting some



He begged and borrowed £10,000 to buy an in-store franchise and opened his first store in 1989.

The business grew rapidly, but Mr Hunter made his quantum leap when he bought the ailing 200-store Olympus Sports chain from Sears.

He backs Ayr and Kilmarnock rugby teams and a junior football club and earlier this year signed a sponsorship deal to put the Sports Division name on Jackie Stewart's Formula One Grand Prix cars.

JJB is partially financing its £250 million purchase with a £110 million rights issue.

## France gives way on defence privatisation

Mark Miller

**C**ONSOLIDATION of the European defence industry moved a step nearer yesterday when the French government admitted it had to privatise Aerospaciale to avoid exclusion from cross-border integration.

But though the missile and helicopter-maker is heading for the private sector via a merger with Matra, the defence arm of Lagardère, and a stock market flotation, questions remain over the French state's residual role in the combined business.

French finance minister Dominique Strauss-Kahn said that the planned merger was "the price for building... a European giant".

Under the terms of the deal, Lagardère will receive between 20 per cent and 33 per cent of Aerospaciale in exchange for its defence assets - including its stake in separate joint ventures with British Aerospace and CEC.

But, while the French government has promised to reduce its stake to less than

50 per cent, its residual shareholding looks likely to remain close to that figure and the government is to retain a golden share.

In the past, state ownership of Aerospaciale has proved a stumbling block to closer links with BAE and with Germany's Daimler-Benz Aerospace (Dasa), both of which are in the private sector.

However, the three companies, which are the main partners in civil aircraft-maker Airbus Industrie, are seen as crucial to ambitions at both industrial and governmental level to build a European defence company capable of competing with the big US defence combines.

Both BAE and Dasa welcomed the French government's initiative, but a Dasa spokesman added: "You will remember that the European concern should not have a state shareholder. This goes in the right direction, but it is not the end of the road."

The merged French business, to take effect next year, will be Europe's largest defence contractor, pushing BAE into second place.

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Canada 2.39	India 69.61	New Zealand 3.07	Sweden 12.72
Cyprus 0.83	Ireland 1.1271	Norway 12.10	Switzerland 2.41
Denmark 16.53	Israel 5.599	Portugal 200.27	Turkey 427.100
Finland 8.749	Italy 2.828	Saudi Arabia 6.05	USA 1.5952
France 9.53			

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# Hollick to demerge financial services

Simon Beavis  
Media Business Editor

**L**ORD HOLLICK, the Labour peer at the helm of United News and Media, yesterday made a significant break with his business past when he agreed to hive off the group's money-broking and financial information business - a deal he once said he would never contemplate.

The transaction will allow United's board to concentrate solely on its media interests at a time when it is struggling in key markets such as newspapers and digital television. But it will deprive the media arm, which includes the Express newspapers and three ITV stations, of an important cash generator, leaving it far more exposed to cyclical economic swings which traditionally bedevil media groups.

The money-broking business was the foundation stone of Lord Hollick's MAI business empire, where he courted controversy by paying high achievers bonuses in gold to avoid national insurance liabilities.

He subsequently bolted on Maridian Television and Anglia to MAI before swooping on United Newspapers to create United News and Media. Later ETV was added to the stable which is now worth a total of £4.3 billion.

He has been under constant pressure from investors to consider a demerger or a dis-

posal of the financial services arm, which many believed looked increasingly out of place in the expanding media empire.

Lord Hollick always insisted, however, that the business would remain an integral part of United.

News that the policy had been reversed came in a stock exchange announcement which revealed that the financial services unit would be hived off as a separate quoted company and renamed Garben. The demerger will take place through a distribution of new shares in Garben to existing United shareholders.

"This represents an important milestone in the pursuit of our principal goals to dispose of non-core assets and to move forward as an international group focused on media interests," Lord Hollick said.

In 1997, the money-broking business generated trading profits of £49.6 million and had net interest income of £4.8 million.

Observers believe that the foreign exchange business could suffer from the advent of the euro.

A United spokesman insisted that both businesses were robust and denied that the demerger would leave the media group more exposed to economic downturn.

The £260 million disposal this year of United's regional newspaper interests has left the business with a stronger balance sheet to pursue growth, although it still carries net debt of £640 million.

## News in brief

## Linklaters creates EU's biggest law firm

LINKLATERS & Paines, one of the City's top solicitors, yesterday teamed up with leading law firms in Belgium, the Netherlands, Sweden and Germany to form Europe's largest legal practice. The firm, which will start operating on November 1 as Linklaters & Alliance, will have more than 1,900 lawyers and other professionals working in 16 countries.

Charles Allen-Jones, L&A's joint chairman, said: "The integration of European markets, the dramatic growth in cross-border mergers and acquisitions and capital-raising and the imminence of a single currency are creating a clear call for a multi-jurisdictional legal service." - *Julia Finch*

## More directors banned

A CRACKDOWN on rogue directors has seen an 11 per cent rise in the number of people banned from British boardrooms during the first half of this year against the corresponding period in 1997. Some 661 orders were made disqualifying unfit directors. Nigel Griffiths, corporate and consumer affairs minister, said the rise was even steeper when the figures for the 12 months to June 1998 were compared with those for the previous 12 months: a 15 per cent increase to 1,276. - *Dan Atkinson*

## GM strike hits glassmaker

GLASSMAKER Pilkington warned yesterday that the strike by car workers at General Motors in the US had cost £5 million in lost profits. Chairman, Sir Nigel Rudd, told the annual meeting that Pilkington would lose an extra £1.2 million of operating profits for every week the strike went on. - *Lisa Buckingham*

## Unilever on-line

UNILEVER, the Anglo-Dutch company which is the world's second largest in consumer products, has finalised a deal with NetGrocer, the American on-line supermarket, to sell products via the Internet. - *Bloomberg*

## Boeing to axe 28,000 posts

BOEING, the aircraft-maker, yesterday revealed plans to axe up to 28,000 jobs over the next 18 months following a 46 per cent slump in second-quarter earnings. It blamed the profits downturn - from \$476 million (\$282 million) to \$288 million - on the cost of phasing out the McDonnell Douglas MD 11 and introducing three new versions of the Boeing 737. - *Nicholas Bannister*

## Triple-A whammy for Japan

JAPAN'S debt rating may be cut because the world's second-largest economy is suffering "deep structural problems" and its fiscal deficit may grow, Moody's, the credit rating agency, said yesterday. After Moody's placed the triple-A rating "on review" the dollar rose to 142.13 yen from 140.80. - *Bloomberg*

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# FinanceGuardian

Building society survives vote by whisker as takeover speculation rages



Unsuccessful candidates Andrew Muir (left) and Michael Hardern bare their teeth at Nationwide chairman Charles Nunn. PHOTOGRAPH BY GRAHAM TURNER

## Battle for the Nationwide

Rupert Jones  
and Jill Treanor

**N**ATIONWIDE'S beleaguered board will meet on Monday to thrash out its strategy after yesterday's crucial ballot on its future ended with the narrowest of margins in favour of remaining mutual.

The knife-edge vote could leave Britain's biggest building society vulnerable to a takeover bid, and Abbey National — no stranger to snapping up building societies — was among the names emerging last night.

Members voted by 50.8 per cent to 49.2 per cent against the proposal to take steps to convert to a bank and distribute windfalls. In a ballot involving more than 2.2 million people, it was the votes of just 33,710 members which swung the result in the board's favour.

There is likely to be no shortage of candidates willing to talk to the society if the board gives any signals that it is prepared to listen to merger proposals. However, Nationwide's directors yesterday declared the result "a clear mandate" for it continuing in its current form, and said it was looking forward to

concentrating on demonstrating to members "the real long-term benefits" it can deliver as a building society.

Charles Nunn, chairman of the society, said he was not anticipating any predatory approach, nor had anyone come forward already. He said the clear message was that the majority of members wanted the Nationwide to stay a building society.

Brian Davis, chief executive, said he could not see any reason why a predator would come forward. "What on earth are they going to offer us that they could not have offered before?"

But many observers believe the far-from-decisive result leaves the Nationwide dangerously exposed.

Lloyds TSB and Prudential have been viewed as the most likely to be interested in acquiring the society. But the former, despite its £1 billion cash pile, was last night thought to be too wrapped up in its merger with TSB, which is in the final throes of receiving parliamentary approval.

One analyst said: "Lloyds TSB won't want to get involved in anything remotely politically significant. But no doubt they have looked at the attractiveness of Nationwide."

The society has said that if

it was forced to convert to a bank, it would have to behave like one, with lower savings rates and higher mortgage costs for its 7.9 million customers. It argues that by remaining member-owned it can offer better value to members because, unlike the banks, it does not have to pay shareholder dividends.

Under building society rules the Nationwide does not face another vote on conversion for three years. But Andrew Muir, one of the two carthage members defeated in this year's board elections, has pledged to mount another challenge next year.

MPs, consumer groups and others yesterday called on the Government to change the rules regarding building society elections to protect them from continued attacks by carthage members.

Michael Hardern, the freelance hater who tabled the conversion resolutions, described the result as "a hollow victory" for Nationwide.

"The tide is flowing our way," he claimed. "If a predator doesn't get them first, the vultures will be back next year."

In apparent recognition of his lack of credibility, Mr Hardern said he might not stand for election next year and instead give way to someone "who members might have more confidence in."

Northern Rock, which last year converted from bank to building society, yesterday admitted acquisition was part of its strategy for growth. "It's all a question of what is the catalyst," said finance director Bob Bennett.

Northern Rock, criticised by the Office of Fair Trading earlier this year for badly treating its customers, announced pre-tax profits of £102.3 million, up 10 per cent.

Its share of the mortgage market rose to 10 per cent, up from a usual share closer to 3 per cent. Its share of savings also increased.

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Pound takes toll of company • Second half 'more challenging'

## £1bn wiped off ICI shares

Julia Finch and  
Charlotte Denny

**T**HE soaring pound rejected Rover's plans for at least 1,500 redundancies and a four-day week to offset the damage wrought by the strong pound on the car manufacturing group's earnings.

They opposed proposals for cuts in production, layoffs and potential pay cuts among the 33,000 workers

The company, which has reinvented itself over the past 12 months by buying up higher value businesses such as food flavourings and fragrances, admitted it faced multiple problems — falling prices for the bulk chemicals it still makes, earnings undermined by strong sterling and continuing problems in its Asian markets.

Analysts immediately slashed their forecasts for ICI's full year profits by as much as £100 million. The shares, which were changing hands at 124.4p only two months ago, closed last night at 78.0p, down 133p on the day.

Yesterday's half-year update showed turnover

down £260 million to \$4.7 billion and included a warning from chairman Sir Ronnie Hampel that the second half would be "even more challenging" with profits "below the same period last year."

The pound's strength is causing widespread problems for industry, cutting into export orders and sucking in cheap imports which compete with UK goods in the domestic market. Most of the deterioration has been concentrated in the trade balance with the rest of the world, but City economists warned rapid appreciation against the German mark would soon start to cut into EU exports.

"The trade deficit has been on a weakening trend, and it can only continue to worsen because exports are weakening due to the strong pound, imports will remain well supported by healthy domestic spending and the Asia situation is clearly having an impact," said Jonathan Loyne, a U.K. economist at HSBC Markets in London. "None of these factors are likely to be meaningfully reversed in the foreseeable future."

Andrew Milligan of CGU Asset Management, said: "The deterioration is quite noticeable now. Imports are rising 6 per cent per annum quarter on quarter and exports are only going up 3 per cent."

Union leaders attack Rover redundancies plan

David Gow  
Industrial Editor

**U**NION leaders yesterday rejected Rover's plans for at least 1,500 redundancies and a four-day week to offset the damage wrought by the strong pound on the car manufacturing group's earnings.

They opposed proposals for cuts in production, layoffs and potential pay cuts among the 33,000 workers

as forcing employees to "pay the price for an over-valued currency."

Talks broke off yesterday but will resume on Monday. The unions said more companies would follow Rover's lead after the group's German owner, BMW, said the measures were essential to counteract the 30 per cent revaluation of sterling in the last two years — partly caused by Britain's refusal to join the euro in the first wave.

As Munich-based BMW revealed half-year net profits up 17 per cent to DM511 million (£173 million) on increased turnover of DM31 billion, Rover said the proposed measures would cut up to £400 million in costs.

Rover's chairman, Walter Basselink, warned that further job losses on top of the proposed 1,500 voluntary redundancies would occur if the unions did not agree to more flexible working time.

Meanwhile Tony Wood, the TGWU's national motor industry secretary and chief union negotiator, said: "While we appreciate that the recent high value of the pound has undoubtedly contributed to increased losses, any suggestion that the company's workforce should have to suffer a loss of wages because of circumstances completely outside their control is unacceptable."

Notebook

## Alarmist ring of strident voices



Alex Brummer

**T**O listen to the siren voices of industry would be to believe that recession is just around the corner. Certainly there are worrying developments. The Rover plan to cut 1,500 jobs is a clear sign that employment prospects are deteriorating in the face of the strong pound.

Then there are those well-paid captains of industry including Sir Ronnie Hampel of ICI, Sir Michael Angus of Boots, Stephen Howard of Cookson — plus the bosses of toy emporium Hamleys — disagreeably issuing profits warnings, the ICI group being enough to knock nearly a £1 billion off its share price. For much of industry, the Monetary Policy Committee and its deeds have become instant enemies of the state.

But should we be so alarmed? The economy is slowing down, but that is precisely what was meant to happen since it has been growing at an unsustainable rate. Instead of whingeing, industrialists need to think more clearly about strategies for dealing with the current difficult conditions. Take high short-term interest rates, for instance. In an economy weaned on overdraft finance, they hurt. But it should not be beyond the wit of the finance director of a medium- to large-sized enterprise to try and lock in some of the cheaper rates at the longer end of the yield curve.

Then there is the international trade picture. Overvaluation of sterling should have led the UK's deficit to deteriorate a great deal faster than it has — look at what has been happening in the US. But the high service content of British exports (as opposed to the more natural resource-led exports of the US) together with lower imports means that Britain's trade with Europe is less disastrous than might be imagined.

There appears to be a great deal of confusion about the economic terms which best describe the current position. The R word — recession — is being bandied around, yet there has not been one quarter of declining growth in the whole economy, let alone the two which define a recession.

Stump, which implies something far worse than a recession, has also made its first headline appearance, so the betting must be that depression cannot be far behind. Depression, however, is what is being felt in Japan, where the financial system is melting along with the real economy — not in Britain. At present the economy is slowing and there may be a few quarters of very low growth, which may cause unemployment

ment to rise. What corporations are feeling is a loss of momentum after some exceptional years.

Mutual majority

**T**HE Nationwide has for the moment escaped the clutches of the conversion advocates. That must be considered in the public interest in that consumers of financial services are far better off with a variety of differently owned and run providers, rather than just banks. But to claim the narrow majority of 33,710 out of two million votes cast as a victory for mutualism is hyperbole. It is not in the interest of financial stability or society as a whole, if excess rears its head in the shape of carpetbagging at those mutuals which still offer the opportunity to invest.

The Nationwide board will have some tricky decisions to make when it meets on Monday. It has passed the immediate crisis and now has three years until a conversion vote can be taken again, but it is still possible, next year, for a new class of directors which believes in conversion to form the board.

Given this lingering uncertainty, which will distract from the critical process of managing the business through what promises to be a much tougher year, it would be surprising if other financial groups, like Abbey National, did not see the draining mutual majority as an opportunity to take a pot shot at the society.

Although there are no offers on the table the board will need to decide what its response should be to a friendly merger offer.

The Nationwide should hold out for mutualism and independence. Its best approach might be to widen its franchise by mergers with fellow member-owned groups, so that the representatives of the movement has sufficient market power to keep the quoted groups at bay.

Jet shakes

**T**HE sage of Omaha always maintains the capacity to surprise. Just weeks after he turned Berkshire Hathaway into the biggest insurance group in the US by merging it with General Re, he has swooped in a different way. This time he is spending \$725 million on Executive Jet, a firm which offers time shares on up-market small aircraft to America's captains of industry — including Buffett himself who has appeared in the company commercials.

It is not the first time Buffett, who since 1985 has owned 25 per cent of Executive Jet, has allowed his own tastes to guide his investments. Among his trophy purchases is the Dairy Queen chain, scattered across the Midwest, which arguably mixes the nation's best milkshakes. No doubt they will soon be serving them on the executive jet service.



I said Yes

VERA TREWHELLA, a customer of Nationwide for just over the past two years voted "yes" for conversion in the society's ballot.

"I'm 74 years old and I have a very limited income. This little cash windfall would have given me some security, so I am disappointed with the result of the vote. Last year I thought it would be a bit of a lift, but this year I believed it would get through."

"I'm not on the mortgage side — I live in a council house — but I suppose I can see the benefits of mutualism for people who have got a mortgage."

"I suppose I'm being selfish. Really, as I know what I voted for — conversion of Nationwide to a bank — was a fairly short-term view."



I said No

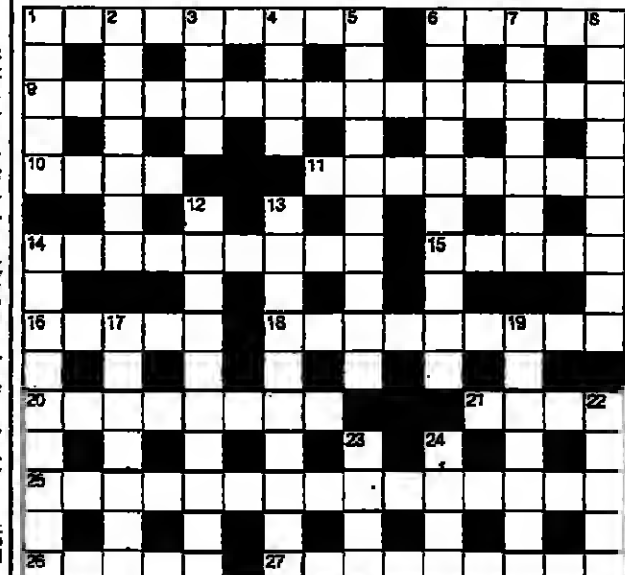
MARGARET PAYNE is one of those who voted "no". A member for 20 years, she believes it will offer better interest rates by remaining a building society.

"I am delighted by the news. I think it will be much better for the society if they stay as a building society rather than just a few people getting some money. It helps far more people if it stays as a building society," said the part-time college library assistant and artist, who lives in St Albans.

She had some money in the Halifax which she took out after its conversion and has since put into her Nationwide account. "Their interest rate went down," she said of the Halifax, which became a bank in June 1997.

Guardian Crossword No 21,335

Set by Janus



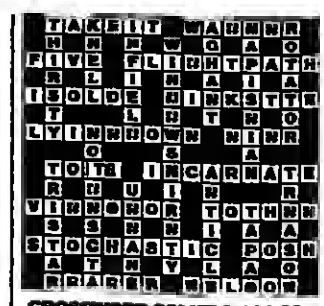
Across

- 1 Examinee in a play by Lawrence (8)
- 6 Soldier dumped in ebbling river by enchantment (5)
- 9 Where once you could drape shirt round Sahib (7,8)
- 10 Work on model painting (4)
- 11 Give an account of French writer (8)
- 14 Man caught in a rainstorm in South America (9)
- 18 Head teacher's lot out in sun (5)
- 19 Rascal may regret having to go back inside (5)

Down

- 1 Explorer's cat with internal hygiene problem (9)
- 2 Catching on fastening (7)
- 18 Chant for king for example — or Scotsman (8)
- 20 Talks idly about soft toys (8)
- 21 Clubs turning to "have-a-go" (4)
- 25 Mormons, giving novice selling treat, are not on board after 24 hours (8-3,6)
- 26 Fish-traps? (5)
- 27 Runs over soldier with funeral cars (8)

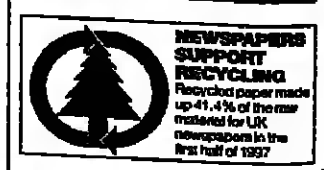
- 3 Bird has one twice (4)
- 4 Pain in each eye (4)
- 5 Cleared tower official to attend queen on special date (10)
- 6 What doctor may give church leader engaged in negotiations (10)
- 7 A Welshman sees it with anger perhaps (7)
- 8 Fortress keeper is able to imprison girl (9)
- 12 Clerically garbed for a siege? (10)
- 13 Call on editorial moving spirit (10)
- 14 Citadel producing a harvest on poor soil (8)
- 17 Does he work very hard in the rose-bed? (7)
- 19 Camping objects? (7)
- 22 Smashes female figures (5)
- 23 One dance over for nursemaid (4)
- 24 Picking up a vegetable may be an illusion (4)



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APPEND